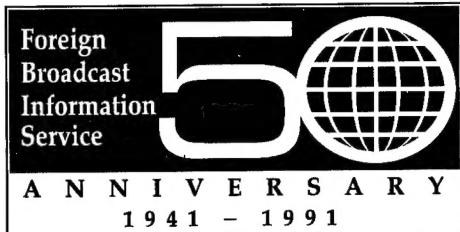
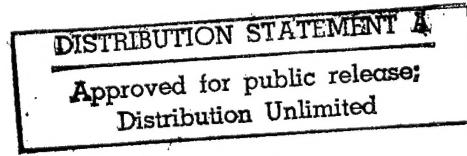


JPRS-NEA-91-090  
30 DECEMBER 1991



# ***JPRS Report***

# **Near East & South Asia**



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# Near East & South Asia

JPRS-NEA-91-090

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30 December 1991

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## REGIONAL AFFAIRS

### Arab League Deputy Secretary on Peace Conference

92AF0163A London *AL-HAWADITH* in Arabic  
22 Nov 91 p 32

[Interview with Arab League Deputy Secretary General Muhammad al-Farra by Usamah 'Ajaj in Cairo, date not given: "Israel Alone Is Responsible for Any Failure at Peace Conference;" first paragraph is AL-HAWADITH introduction]

[Text] In wake of the Arab League's success in restoring coordination and consultation among the five Arab states—Egypt, Syria, Jordan, Lebanon and the PLO—participating in the peace conference that has begun in Madrid, AL-HAWADITH met with Dr. Muhammad al-Farra, deputy secretary general of the Arab League and a long-time Arab expert on Palestinian matters. AL-HAWADITH interviewed him about chances for the success of the conference, the method of Arab negotiation, the settlement danger, confidence-building measures between the Arabs and Israel, and the American effort to repeal the General Assembly resolution branding Zionism as a form of racism.

[Ajaj] In your view, how can one think of fashioning an Arab position for the negotiations, given the existence of a definite scenario for the form of negotiations at the conference?

[al-Farra] From long experience in international negotiations—I was the person commissioned to hold talks with Gunnar Jarring, the secretary general's representative, to implement Resolution 242. The first request was that Jarring work to halt the settlements immediately as proof of Israel's good faith. Israel had begun working to annex Jerusalem and change its features to threaten them hours after occupying the city in 1967. I say that things will never change. Such were Israel's actions in that matter, and now Israel is in a race with time to threaten all the occupied lands, having already confiscated 65 percent of them. So above all, it is necessary to stop the settlements immediately, for there is no sense to negotiations while lands are threatened every day by settlement, ousting the inhabitants, and settling in their place immigrants from Russia, Romania, Albania, Ethiopia, and other places. This is a fundamental, necessary point that must precede any talk, because there is no sense to negotiations about land that will have been subjected to colonial settlement and Judaization before the negotiations end.

The second point is that the Palestinian delegation must be put in a better and stronger negotiating position through effective coordination and continuous support for it. Settling Arab problems should be accepted only alongside of progress in solving the problem of Palestine, which the Arab League considers its central and first issue. This problem was, and still is, the foundation of joint Arab action.

The third point is that the split that has caused Arab weakness—one that is unprecedented since Israel's creation—must be mended. Israel is taking advantage of it and exploiting time to its advantage. Unity of Arab ranks is a historic responsibility in a rapidly-developing world in which international relations in the new order are coming into existence between groups of nations. This requires that we work to restore the Arab fabric in order to create optimism among Arab citizens, who have great hopes and aspirations at this historical juncture.

[Ajaj] Do you think the Arab League accomplished anything important in this direction by sponsoring a meeting of the five countries participating in the peace conference?

[al-Farra] At the last Arab League council session, a resolution was passed welcoming the holding of the international peace conference to arrive at a comprehensive, just peace in the Arab-Israeli conflict and the Palestine issue on the basis of the principles of international legitimacy and relevant UN resolutions, including Security Council Resolutions 242 and 338. The League's council decided to support the specific positions of the Arab parties directly involved in the conflict and to support their positions politically, through information, and in all other areas in order to reach a just solution. The five Arab parties (Syria, Jordan, Egypt, Lebanon, and Palestine) were invited to coordinate and consult among themselves on a unified position. The secretary general of the Arab League was commissioned to continue his Arab contacts for the purpose of coordination. What I know is that the secretary general met in New York against the background of UN General Assembly meetings with the foreign ministers of the five countries directly affected by the Arab-Israeli conflict. Other meetings will be held during this period. He is also making contacts with the Arab states to realize this goal. We wish him success.

[Ajaj] Given America's desire to reduce tension in the world, treat its sources, and settle regional problems, do you predict that the peace conference will succeed?

[al-Farra] I cannot read the future. I know, however, that the success of the conference means bringing about lasting peace, which will happen only after the Palestinian people obtain all their national rights. Once Israel has the will and resolve to work to realize peace, ending the conflict will undoubtedly become easy. But one has to say that Israel has not yet reached this conclusion. Its actions in the occupied territory prove this. Arrogance and conceit will continue as long as Israel relies on material aid that strengthens its occupation and encourages it to arbitrary actions, settlement building, and bringing in immigrants to live on others' lands in occupied Palestinian, Jordanian, and Syrian territory.

[Ajaj] How can one interpret the recent American-Israeli dispute over the \$10 billion in guarantees for settlement?

[al-Farra] What happened recently was an American decision to postpone granting the guarantees, not cancel them. Let's wait and see what the position will be when Israel perseveres in its stubbornness regarding every step it is asked to take in the negotiations. It is too early to call what happened a dispute between Israel and America. It was just a delay in paying the money. When it is paid, it will be paid with interest!

[Ajaj] But reports also speak about positive American positions in the direction of giving the Arab parties to the negotiations, including the Palestinians, written guarantees about the peace process.

[al-Farra] I haven't seen these guarantees. I can't talk about the unknown.

[Ajaj] Your pessimism is evident. Do you believe that the Arabs have chosen the most difficult period for entering into peace negotiations that will be long and protracted?

[al-Farra] The Arabs didn't choose. They were put in a position difficult to refuse, because the whole world wants a solution to the Palestinian problem. The important thing is not the timing, but effective Arab will to turn what we think is a weak position into victory. What I say is possible, if there is unity of Arab ranks, honest will, and a stance as a negotiating group, not as countries that Israel takes on one by one. We have behind us the experience of the Rhodes negotiations and the Lausanne negotiations. In the former, the Arab states negotiated separately, and the truce agreements resulted. In the second, the Arabs negotiated united, and the result was the Lausanne agreement that made Israel acknowledge again that the partition resolution was the basis of every negotiation. Israel now wants to turn its back on the Lausanne agreement that it signed on 12 May 1949. It wants to go back to the Rhodes method. We must learn from the lessons of the past. We must go forward with united ranks as the Palestine issue moves forward. We must not leave the Palestinian delegation negotiating alone with Israel.

[Ajaj] How do you view the dangers of Israeli settlement, especially since plans for it continue despite the world's total rejection of it?

[al-Farra] Colonization by settlement is like a cancer spreading on the soil of occupied Palestine. Sixty percent of the West Bank and Gaza has already been confiscated. Israel is proceeding apace with building settlements there in a race with time, and is bringing in immigrants in historically unprecedented numbers. If things continue this way, with land confiscation, settlement building, ousting the inhabitants, and settling Jewish immigrants from all over the world, Israel will use every evasive tactic at the negotiations until the land becomes completely Jewish and nothing remains for the Palestinians.

[Ajaj] Given the dangers of settlement, don't you think it was necessary to support the European Community's

proposal, which Egypt has espoused, of freezing settlements in return for lifting the Arab boycott, as part of building confidence between the Arabs and Israelis before the peace conference?

[al-Farra] Something like that will not bring confidence; instead, it will create complications we don't need now. How can we compare the boycott, which was a defensive act of nations in a state of war with Israel, and an aggressive act of Israel's that defies resolutions of the Security Council, the General Assembly, and international legitimacy? The former is a defensive act; the latter—the idea of [freezing] settlement in return for [lifting] the boycott—means giving legitimacy to the settlement process, an act of aggression. We therefore demand an immediate halt to settlement. All signs indicate that all the countries of the region want peace. Israel remains the only exception.

[Ajaj] In Arab terms, how are we to interpret President Bush's call in a speech before the United Nations for a repeal of the international organization's resolution branding Zionism a form of racism?

[al-Farra] The UN General Assembly passed the resolution by a majority of more than two-thirds of the members because it was fully consonant with the international organization's overall outlook opposing racist movements based on racial discrimination. The organization was objective in its condemnation of the Zionist movement, which has proved its racist nature theoretically and practically. It was a resolution based on principle, not a political one to be passed today and replaced tomorrow. As long as Israel has not changed its racist behavior, an attempt to change the resolution reflects on the credibility of the international organization. The international family must therefore not allow the resolution to be changed. The great powers who bear responsibility should continue to make decisions to pressure Israel and make it change its racist policy, especially now that the occupying authorities in South Africa have begun to change the policy of racial discrimination and move with history. When Israel stops moving against the current of history and changes its racist policy, only then will it be possible for America to ask for reconsideration of the resolution.

[Ajaj] But America's attempt appears to be a step toward restoring confidence between the Arabs and Israel, along with holding the conference.

[al-Farra] Does one demand confidence-building from one side? The occupier should show this confidence by stopping the policy of repression. It should stop confiscating lands and inviting immigrants from all over the world. It should stop building settlements and stop stealing groundwater and withdrawing it from the occupied territories. Confidence begins from here, where the aggression was.

**Sudanese-Libyan Investment Capital Increased**  
*92AF0213C Khartoum SUNA in English 22 Nov 91 p 6*

[Article: "SLCID Capital Jumps to \$90 Million"]

[Text] Khartoum, Nov. 22, (SUNA)—The capital of the Sudanese Libyan Company for Investment and Development (SLCID) has been raised to \$90 million to be paid half by half, by the Sudanese Development Corporation (SDC) and the Libyan Arab Company for External Investment, this was disclosed by Abdulla El-Ramadi, Director General of SDC, explaining that the Libyan side has pledged to disburse his share for three years.

He said that the SLCID will witness this year a remarkable leap through its reorganization to hold its responsibilities as a principal instrument to integration process between the two countries.

He pointed out that the Company has earmarked \$2 and one half million for securing industrial inputs besides its contribution in land and sea transport.

**Darfur-Serte Unified Region Proposed**  
*92AF0213B Khartoum SUNA in English  
23 Nov 91 p 11*

[Article: "Darfur, Libyan Municipality Agree on Joint Projects"]

[Text] El-Fashir, Nov. 23, (SUNA)—Darfur State Government and the Libyan Serte Municipality have agreed to implement a number of joint cooperation projects designed to strengthen links between the two countries.

Darfur State's Minister of Education, Guidance and Information Abdalla Abu Fattma, who returned here Friday from a visit to the Libyan Jamahiriyyah, has stated that the projects included El-Fashir-Ewainat-Al Kafra highway project which would link the two countries.

The Minister pointed out that work in the project, which is due to start in the coming few days, would be undertaken by a Libyan construction company.

Abu Fattma went on to say that direct flights between here and Serte Municipality would commence early next January as the administrative and political structures for a unified region comprising Darfur and Serte would be set up to be followed by the issuance of a unified identity card for the citizens of both areas.

Meanwhile, the Minister announced that the Libyan municipality has donated a concrete mixer worth 30 million Sudanese pounds for the completion of El Fashir Airport Project besides the construction of airports at Neyala and Geneia.

The joint cooperation will further cover the spheres of trade and culture, the Minister noted.

**Progress Seen in Libyan-Sudanese Integration**  
*92AF0213A Khartoum SUNA in English  
22 Nov 91 pp 3, 4*

[Article by El-Bushra: "Sudanese-Libyan Integration Gone"]

[Text] Cairo, Nov. 22, (SUNA)—The Sudanese-Libyan Arab Integration Secretary General, Dr. Farouq El-Bushra underlined that the integration has gone far as the masses in the two countries began to reap the fruits of its projects.

Interviewed by SUNA correspondent here, Dr. El-Bushra said that studies were completed to implement 7 projects in the agricultural and agro-industry fields, describing that what had been achieved in the 13-month age integration as a considerable success by all standards in materializing the political will which seeks developing of integration to unity as soon as possible.

Refuting allegations saying that there were no tangible projects, El-Bushra pointed out that Libyan markets had last month received the Sudanese exports of sugar, sesame, fodder and meats and that another commodities will go to Libya according to the agreements signed in that respect, while Libya in return provides Sudan with oil supplies.

The foundation stone of Aylafour highway (the Qaddafi Highway) will be laid down in the coming days, Dr. El-Bushra explained, saying that works in El-Kofra-El-Fashir highway will start after the Sudanese side conducting survey between El-Bashir and Uweinat.

Action is now on high-gear to activate joint investment to secure food for the people of the two countries, El-Bushra noted.

The Sudanese-Libyan relations under the integration, he said are now undergoing the stage of materializing the political will, which will lead to the overall Arab unity.

Thanks to the full political support to integration shown by Col. Qadhafi and Gen. El-Bashir as the higher body of the integration and follow-up by Maj. Gen. El-Zubeir Mohamed Salih and Abu Zeid in their capacity as chairman and co-chairman of the ministerial committee, El-Bushra told SUNA correspondent.

The joint investment ventures, he added will go into implementation before the meeting of the ministerial committee here noting that the Sudanese Libyan Holding Company was renamed the Sudanese-Libyan Arab Company for Development and Investment.

Two and one half million dollars was secured to support industrial sector, he concluded.

## PALESTINIAN AFFAIRS

**Possible West Bank Withdrawal Scenarios**  
*92AE0095A Nicosia FILASTIN AL-THAWRAH*  
*in Arabic 3 Nov 91 p 13*

[Article by Hasan al-Batal]

[Text] The Palestinians want independence now, not tomorrow. Anyone with two eyes can see that tomorrow does not seem far away. It is now much closer, because the Palestinians have decided to establish their own national authority "on every inch of land evacuated by the occupation," and the Palestinian entity will be established on thousands upon thousands of square kilometers.

It is useful, and essential, to examine the history of the conflict. The conflict is 110 years old. It subsumes the 43-year-old Arab-Israeli conflict, the 26-year-old Palestinian armed struggle, and the almost four-year-old intifadah, which has been marked by legendary courage.

Within a year of this memorable day, agreement must be reached on Palestinian autonomy. Within two years, we will begin negotiations to determine the final status of the occupied Palestinian lands.

We are thus looking at five years before the final implementation of the phased Palestinian program established in 1974. This is only half the time that has elapsed between the PLO's evacuation from Beirut and its entry into the most important peace conference of this century.

However, when was the actual beginning of the collapse of the occupation authority and its hold on Palestinian territory?

A ready answer seems obvious: since the outbreak of the intifadah. However, some Israelis respond that it began years earlier, as far back as the year following the PLO's exodus from Lebanon.

Since 1982, the occupation authority has stopped issuing regular statistics on economic development, or "the amazing resurgence" of the occupied territories under the occupation's authority. These semi-annual statistics began appearing regularly after the mid-seventies. However, the last such statistics were issued after a five-year hiatus, months before the intifadah erupted. Since then, Palestinian and international statistics have reflected quite the opposite, pointing to a rapid, almost disastrous regression in economic development.

This means that the occupation's "civil administration" lost hope, relatively early on, in the Palestinian territories remaining under occupation in the future. Investment activity, which a colonizer usually undertakes to ensure the profitable exploitation of the lands under its occupation, was curbed by the "civil administration." Moreover, the administration launched a war to demolish the Palestinian infrastructure and institutional structure. Let us remember that the head of the Palestine

delegation at the Madrid conference suffered from repeated detention, and his organization, the Arab Studies Institute, has suffered from successive closures to prevent it from becoming a Palestinian Weizmann Institute, i.e., an organization that plays a role in establishing the state's infrastructure, as the Weizmann Institute did for the state of Israel.

Members of the Palestinian negotiating delegation, which comprises "intellectuals" and academicians, know that their universities and institutions were not closed merely because they are "focuses" of the intifadah, which they really are, but because they play the primary role in preparing cadres to establish and build the state of Palestine.

Perhaps the reason for the composition of the Palestinian delegation can be attributed, to a certain degree, [to Israel's understanding of this role and its willingness to accept it] for the sake of sitting with those whose organizations it closed to negotiate a transitional program for the transfer of political and economic authority to Palestinian authority.

"Autonomy," or more precisely "self-rule," is not a political entity that does not advance to independence as much as it is a transitional period on the way to self-determination.

Let us imagine the first scenario, which is to see every occupation soldier withdraw from all of the occupied Palestinian lands, and which we desire with all of our might.

Under this scenario, the ignoble Israelis will destroy the components of the administration, structures which we wish to remain intact, records, and facilities. They will not be satisfied with destroying Israeli settlements. Rather, they will destroy what they can in the way of public utilities. Past experiences with Israeli withdrawals provide evidence of this type of behavior. When the Israelis withdrew from Sinai in 1956, they did not even spare the tracks of the roads on which they travelled and which existed before their occupation. In 1973, they attempted to even transfer the iron parts of military fortifications, and they plundered the oil refinery and facilities at Suez. In the Golan, they left al-Qunayrah in rubble.

The occupation's "civil administration" has taken possession of innumerable files, and it will not hesitate to destroy them. In short, the ignoble occupation will practice a "scorched earth" policy, which will require the nascent Palestinian authority to invest major efforts and large amounts of money and time in rebuilding the administration and infrastructure.

From a political standpoint, the Palestinian state, in the event that it is actually established, will be required to submit to the political conditions of both brother and

enemy. Accordingly, it will have to stunt its independence and empty it of content. How many independent countries in the Arab world and the world are truly independent?!

Now, let us imagine a second scenario: The occupation authority is required to sign an international agreement, as well as a separate Palestinian-Israeli agreement with the PLO, under which it agrees to a program for transferring authority and an intact administration in an organized manner, and to refrain from destroying Palestinian facilities and structures. If Israel fails to comply, it will be subject to the following consequences:

- It will have sentenced Israeli settlements to destruction.
- It will be required to pay damages for these "war crimes."
- The peace between Palestine and Israel, and consequently between the Arab countries and Israel, will be brittle. Israel will have thus lost both land and peace and destroyed any possibility of making Jerusalem a laboratory for coexistence projects, which are many and good, and which are possible if the intentions and will are present.

**Summary:** If we sincerely say that peace is in the interest of the Palestinian and Israeli peoples and the peoples of the region and the world, the transition period will be a test period. It will seem very brief compared with all of these thorny, explosive problems.

Also, let us always keep in mind a "contingency plan" to be activated if matters develop faster than provided for by established plans, because we saw how quickly German unification followed the collapse of the Berlin Wall, and how quickly the Soviet empire has dissolved.

We desire a transitional period from which we can advance at top speed and with the greatest degree of safety to building a stable state. We thirst for independence. However, one who almost dies of thirst must drink the water of life slowly. Wisdom enjoins wisdom.

When a French general ordered the forestation of a bare mountain, he was told: "It will take 100 years before the seedlings become a forest." He said, "Only 100 years? Let us begin now."

We are looking at four to five years, perhaps less, in which to build the state which we desire, namely, one that is flourishing, free, and democratic, and which we wish to be a Palestinian oasis for the Arab world.

#### **Analysis of New Palestinian Philosophy**

92AE0099A *Jerusalem AL-BAYADIR AL-SIYASI*  
in Arabic 9 Nov 91 pp 9-10

[Article: "Philosophy of Change in Palestinian Policy Between 'Suicidal' Persistence and Studied, Risk-Taking Change; International Developments Are Convenient Opportunity To Attain National Rights"]

[Text] Even though a lot has been written on the Palestinian political philosophy in the current phase, this delicate and historical issue dictates that the analyst dive deep into this philosophy and that he steer clear of the veneer. The Palestinian policy does not come from a vacuum. It has its clear and deep bases, and behind this policy there are regional and international motives that cannot be disregarded when dealing with it. In this phase, it is the policy of direct negotiations or, to put it in other words, the decision to wage the post-Madrid political battle.

The statement that this policy is the policy of burying the Palestinian people's political rights, or of going to the guillotine set up for the Palestinians in Madrid, is a statement that simultaneously harbors an ethical and a political fallacy. It is ethically fallacious because accusing the PLO, which has approved of going to Madrid, of treason or of going to the guillotine disregards a long history of struggle and casts doubt on a leadership that has led the Palestinian people's struggle for the past 30 or more years. It is politically fallacious because it is childish to say that the Palestinian leadership's decision to go to Madrid and to wage a political battle is an unstudied adventure whose consequences will go against the Palestinian people and their national interests.

If a part of the opposition is serious and principled, the other part contains a kind of opportunism whose objective is factional gain, nothing else. The opposition phenomenon in this phase is a very positive and healthy phenomenon, provided that it is characterized by a political vigilance that prevents transforming it into some sort of conflicts that result in very grave consequences for the Palestinian people, for their struggle, and for the way they wage their political battle.

The vigilant opposition has its clear political philosophy and its logical and acceptable justifications. On the other hand, the Palestinian decision to take part in the Madrid conference and in the post-Madrid efforts has its clear political philosophy. If the opposition's philosophy is based on the conventional position that is hostile to the Palestinian people's national rights, on the unavailability of the full Palestinian conditions to wage this battle, and on the great flaw in the region's balance of forces, then the philosophy of the Palestinian policy that has decided to wage the political battle also has its clear bases.

#### **Confronting Forces for Change**

The sharp developments that have occurred in the region and in the world have imposed on Palestinian policy—a policy which had, prior to these changes, relied especially on the "cold war" between the East and the West and the direct impact of this war on the region before the end of this war—one of two options: Either "persist" or "change" to keep pace with these developments.

Between persistence and change, the intellectual, political debate in the Palestinian arena has taken the form of participation in Madrid and in post-Madrid activities, and the form of opposition to this participation. It is

unexpected that this debate will end, at least in the foreseeable future, even though the change option has gained the majority, or a majority that justifies participation in the political process.

Persistence in light of the "end of the cold war in favor of the United States" and, therefore, of sole U.S. control of international policy, and in light of the collapse, the direct impact which this war had on the (Arab) region in favor of the United States and, therefore, of sole U.S. control of the Middle East region—in light of these two facts, persistence entails some sort of political suicide.

This is because persistence means loss of the two most important elements of Palestinian policy: the regional element, i.e., the Arab position that has traditionally supported Palestinian policy; and loss of Soviet support and support of the socialist bloc, i.e., the Warsaw Pact, generally. Because one cannot make up for these two regional and international elements, persistence means embarking on a confrontation with the forces for change, led by the United States, and with the Arab states that have joined the international change through the "sincerest" path, i.e., the military path.

Persistence will automatically provide the regional and international background to deal with the Palestinian people separately in many places where they live, especially in the occupied territories and in the Arab countries that have agreed to join the international change and the U.S. political process in the region.

In view of this, the Palestinian decision has been to join the change "cautiously" by taking part in the political process, i.e., by moving from persistence in Palestinian policy to "cautious" and "reserved" change as a Palestinian option countering international and regional change. Persistence in the face of regional and international developments would put the "Palestinian people" outside the region's and the world's new political map, now that changes in the U.S. political process for settling the region's conflict touches the core of the Palestinian issue directly.

#### Cold War Impact

The philosophy of agreeing to join the change, and to move from persistence toward change in the Palestinian policy, with the nearly-hairpin turn in policy that such a change means, does not emanate only from the impossibility of persistence, meaning that it is not based on uncalculated risk, as some political thinkers and writers describe their vision of the change in the Palestinian policy. Though the change entails some risk, it is a well-studied and calculated risk. What is more important, it is a risk that preserves the possibility of tactical, or even more than tactical, retreat from the change.

If one consequence of the cold war experience was reflected in political and material support for the Palestinian people and their struggle, then another consequence is reflected in the fact that this cold war concealed the Palestinian truth from the West, especially

from the United States, throughout the past many years. This was a result of the cold war and of the struggle between the United States and the Soviet Union for influence in the region. This conclusion does not belittle the Soviet role in supporting the Palestinian people and their struggle, and does not mean holding the Soviet Union responsible. It simply seeks to underline a fact.

This fact shows that, according to all calculations, it was impossible to settle the conflict politically or militarily in the interest of the Palestinian people and their national rights under the umbrella of continued cold war. It seems that the Palestinian leadership realized this fact years before Palestinian political change was made in the direction of the West, especially in the direction of Europe and then of the United States, while preserving a good relationship with the Soviet Union and the Eastern bloc.

If the cold war actually shows that the conflict could not be settled politically or militarily in the interest of the Palestinian people's national rights, then the question is: Will the end of the cold war, and the international and regional developments lead to achieving these national rights? This question is projected vis-a-vis the philosophy of change in the Palestinian policy, i.e., of joining the regional and international changes.

First, the conventional U.S. policy that was hostile to the Palestinian people's national rights and that emanated fundamentally from the struggle for influence between the United States and the Soviet Union was behind the failure to develop a political solution that responds to national rights. This policy, with its military, economic, and political influence over the region, was also behind the failure to end the conflict militarily. With the end of the struggle for influence, a solution to the conflict has become possible.

Second, historical experiences from ancient times to modern times show that "changes" provide one with a suitable opportunity to join them and to attain national rights or, in other words, independence. But the question raised by opponents of the philosophy of change in the Palestinian policy is: What kind of a political solution will it be and will it respond to national rights?

The "developments" do not automatically determine the Palestinian people's national rights. They require an intrinsic element, i.e., a Palestinian political performance capable of exploiting this reality in the interest of national rights, especially under international developments that have served the international party (United States) that stood behind concealing the "Palestinian cause" in its struggle for influence with the other party (the Soviet Union) that has collapsed, and under Arab and regional developments that have served the interest of the United States.

This fact is not far from the philosophy of change in Palestinian policy, especially since it comes in wake of the Gulf war, which the PLO opposed, meaning that it opposed the first manifestations of the international

developments in the region and in the world. Because this fact is not far away, the "philosophy of changes" has agreed to the dictates of change, even though it has harbored part of the conventional U.S. policy.

But this agreeable policy seeks to take the first step toward the international developments and then to proceed to create in the U.S. policy, which stands behind the international and regional developments, a change in the interest of the Palestinian people's national rights. This is what has begun to surface in Palestinian policy. If the philosophy of change has agreed to the outward absence of the PLO, and if it has agreed to the outward separation of the people in the homeland and the people in the diaspora in order to get to Madrid—the "first stop" for changes in the region—then the Palestinian language in Madrid confronted this absence from the outset by imposing an unavoidable Palestinian stipulation on the United States, and also on Israel.

The philosophy of Palestinian change needs to be given a full opportunity and needs to have the proper condition made available to it. Perhaps the opposition contains a part of this proper and essential condition.

#### West Bank, Gaza Notables React to Madrid Conference

92AE0099B *Jerusalem AL-BAYADIR AL-SIYASI*  
in Arabic 9 Nov 91 pp 25-28

[Article: "Assessment of Opening Sessions of Madrid Conference; Shaykh al-Jamal: World Sees Palestinian People's Tragedy for First Time; Jiryis al-Khuri: Palestinian, Arab Performance Worthy of Appreciation; Dr. Hasasian: Conference Is Test of New World Order's Seriousness; First Phase Is in Our Interest; Dr. 'Ubayd: No Delegation Has Ability To Withdraw; Maneuvering Has Begun; Fayiz Abu-Rahmah: Conference Is Important Means Made Available for First Time; Yusra al-Barbari: In His Address, Bush Canceled All Bases About Which He Had Spoken in March; Dr. al-Zahhar: Israel Exploits Arab State of Weakness To Conclude Peace Treaties; al-[Saftawi]: Palestinian Delegation Members Have Risen to Level of Responsibility; Dr. al-'Aylah: Palestinian Address Has Constituted Qualitative Leap in History of Issue"]

[Text] AL-BAYADIR AL-SIYASI continues to follow up on the most important development and to present our Palestinian people's interacting opinions on this development, which our people are experiencing moment by moment. Entering into the bilateral talks cannot be separated from the heated situation that has followed the opening sessions of the Madrid Conference.

What do our people in the West Bank and the Gaza Strip say about these opening sessions? This is what AL-BAYADIR continues follow up on in this edition.

#### Shaykh Muhammad al-Jamal, Jerusalem

"I wish to say that for the first time, the world sees the Palestinian people's tragedy through this conference, considering that the Palestinian delegation has managed, most skillfully, to convey its words to every heart in the world and that it has been able to impose the truth about the actions and hardship to which our kinsmen are subjected. The delegation has reaffirmed that the Palestinian identity is part of the Arab Islamic nation, and it has declared to everybody that our people want peace and want to attain their rights justly and rightfully."

Shaykh al-Jamal added: "We have to make our voice heard in the world, and it has been heard from this conference. The world must hear the other opinion, which has given the world an impression of the occupier and of his qualities that is different from the propaganda that the world has been hearing about this occupier.

"Therefore, I find that the United States is completely eager for this conference to succeed, not just out of compassion for the Palestinians or Arabs, but also out of concern for its Middle Eastern interests, considering that the Palestinian issue is a pivotal Islamic issue. We know for certain that Palestine concerns not only the Palestinians or the Arabs, but all Muslims who will not squander any of their rights in the holy lands."

#### Attorney Jiryis al-Khuri, former chairman of the West Bank Lawyers' Union

"To begin, I would like to note that I am not very enthusiastic about the principle of Palestinian participation in the regional conference, at least in this phase, considering that the United States of America, the only player in the international arena currently, has never supported Arab rights and the Arab right to Palestine. Moreover, the existing balance of powers is not in the Palestinian people's interest. To a large degree, it is perhaps in the interest of Israel. However, I am not one of those who advocate that a serious stance be taken against our Palestinian brothers and sons who have participated in the conference, especially since participation had been approved by a big majority of the Palestine National Council, Central Council, and the PLO Executive Committee.

"This is not the main point. Now that the conference opening sessions have been convened and that the parties concerned have, according to most estimates, turned to preparations for the bilateral talks that have actually begun, the question raised now concerns assessment of what took place in these sessions and what is expected of this conference in the future.

"Even though it is impossible, at this stage, to make a judgment on what the situation will be at conclusion of the bilateral and multilateral talks on which no facts are available—however, and in light of the participating delegations' opening addresses and of their comments on these addresses, it can be said with a degree of certainty that the Palestinian and Arab performance has been

worthy of appreciation, whereas the Israeli performance has been disappointing. While this deficient Israeli performance has surprised nobody, considering that it reflects the Israeli right's radical and rigid mentality that is led by Yitzhak Shamir, the team spirit that has dominated the Arab team's words and actions, and the high coordination that has dominated its movements and activities are truly a source of pride and honor. It is hoped that this spirit will continue among members of the Arab team to the end of the road, because it is the life buoy for both the Arabs and the Palestinians.

"The important question continues to concern the expectations from this conference. The truth is that I, personally, do not attach great importance to a peace conference from which the United Nations has been kept out, considering that the conferees' discussions are concerned with interpreting its legitimate authority and the resolutions it has issued. I greatly regret that this international organization's great role has been reduced to the level of a silent observer sitting in a corner of the conference hall, as if it is neither here nor there. Moreover, I am not reassured by the hero's role the United States is playing as it wishes to play, without any rival or opponent except for the Soviet Union which, regrettably, has become a shadow of the United States and a party that has no influence on international relations currently.

"There is one positive reference which I have read in the final address that James Baker, the actual sponsor of the conference, delivered before the conference was concluded. When he spoke of his disappointment in the failure of the Israeli and Arab sides to comprehend the human dimension in their speeches, I saw clearly that the United States plans to play a serious role through the bilateral and multilateral talks. Despite my suspicions, supported by evidence, regarding the U.S. intentions toward the Palestinians and the Arabs, I was overwhelmed by a feeling, which I hope is right, that the United States will play a serious and firm role capable of accomplishing the conference's message and of bringing success to the conferees' task at the end of the road, in a way that responds to our heroic Palestinian people's firm rights to repatriation, self-determination, and political independence, and tomorrow will soon come to those awaiting it."

#### **Dr. Manuel Hassasian, Bethlehem**

Dr. Manuel Hassasian has expressed his opinion on this issue, asserting that the Madrid Conference is held in a climate of international detente. With the end of the cold war, the establishment of international criteria based on truth, justice, peace, and human rights, and in the climate of international legitimacy and international detente, the ground is cleared for solving regional disputes through negotiated political settlements, instead of solving them with military arrogance and force. "This is why we find the United States, which is leading the new world order, trying seriously for the first time to develop a political settlement to solve the Middle East conflict

within the framework of UN legitimacy, especially of Security Council Resolutions 242 and 338."

Dr. Hassasian added that Baker's shuttle trips to the Middle East have been crowned with diplomatic action at the Madrid peace conference, considering that the United States, in coordination with the Soviet Union, has been able to persuade the Arabs and the Israelis to sit together at the negotiation table. He has noted that the importance of this historic development lies not in the delivered speeches that reflect positions that have been reaffirmed by Arabs and Israelis throughout four decades, but in the goodwill displayed toward establishing a peace based on geographic concessions and recognition of the Palestinian people's legitimate rights to self-determination and to establishing their state on their national soil.

"In the opening addresses they delivered to the opening session of the conference, Presidents Bush and Gorbachev asserted that it is possible to establish peace in the Middle East under the new international climate, if the Arab and Israeli sides make mutual concessions so that a realistic balance of interests can be created between the Arab and Israeli interests. But what is truly surprising is that both addresses have been void of a clear declaration of the need to implement the UN resolutions on the Arab-Israeli conflict, especially Resolutions 242 and 338, and that they have avoided reference to the issue of settlements in the occupied Palestinian territories. These are fundamental issues that could pose a threat to the peace process." Dr. Hassasian also noted that the peace conference is a test of the seriousness and profundity of the world order and of its commitment to imposing its principles and achieving its ideals in this part of the world.

As to his assessment of the first round of the peace talks, Dr. Hassasian said that there are two antithetical languages at the conference: An Arab language that inspires optimism and hope that the conference will succeed, and an Israeli language that creates obstacles in the path of peace.

"My personal assessment of the Israeli address is that it has been a historical review that best reflects the Zionist ideology, which is based on expansion. The address contained no serious effort to establish peace, but rather, to impose a fait accompli embodied in the occupation and to bestow legitimacy on this occupation of the Palestinian territories. We should keep in mind that projecting the peace concept has not been one of Israel's main objectives, and that Israel wants to dictate geographic concessions. This is in addition to the absence of any reference in Mr. Shamir's address to halting the settlement activity or relinquishing the West Bank and Gaza Strip. His address was engulfed in oratory words encompassing the human dimension of the conflict in a manner that is void of all scientific sense."

"These positions are not alien to us. But in the negotiation process, these rigid and intransigent positions have

to be abandoned in order to develop any settlement relying fundamentally on negotiation and dialogue.

"As for the Arab position, it has been compatible with the Palestinian people's aspirations and hopes, and it has emphasized that establishing peace within the framework of international legitimacy and of Security Council Resolutions 242 and 338 is the fundamental basis for holding this conference."

Dr. Hasasian added: "But as political observers, we have aspired to hear a futuristic analysis of a solution to the Arab-Israeli conflict and a clear strategy based on economic and political detente and regional cooperation. Israel wants, of course, to begin bilateral negotiation, especially with Syria, so as to marginalize the Palestinian issue and focus on the regional issues. In contrast, the Arabs have been firm and clear in their position that regional cooperation is rejected without a bartering of land for peace. This is international legitimacy's fundamental principle."

He further added: "So we can say that the first round has been in the interest of the Arabs and the Palestinians because it has proven their legitimate right and has been able to expose the rigid and intransigent Israeli position."

"A political observer cannot evaluate the conference because the beginning is very difficult and the positions are firm. Therefore, dialogue, negotiation, and concessions are needed to develop a political settlement based on a just and comprehensive peace. All this is tied to how serious is the United States in putting the necessary pressure on Israel to accept international legitimacy and not to flout it."

Dr. Hasasian has noted that the United States may have actually drafted a serious working paper to settle the Arab-Israeli conflict and that it will actually submit it to the interlocutors in case they reach a dead end, keeping in mind that this is based on the assumption that the U.S. people are tired of supporting Israel at the expense of their economy and on belief in the new given international facts of the struggle—a conviction that Israel will not constitute, in the near future, a strategic dimension protecting U.S. interests. This is why I expect that the solution will be conditional and imposed on Israel's current government. I hope that this will be done shortly, so that our people can rid themselves of the yoke of occupation and of the bitter reality under which we live."

#### Dr. Yasir 'Ubayd, Ramallah

"Convocation of the peace conference in Madrid represents, in itself, a successful start for the peace process." Dr. Yasir 'Ubayd started his statement with these words, noting the difference between Shamir's address, which focused on the history of Jews and the objectives of world Zionism; and the Arab words, which talked about UN resolutions, international legitimacy, and land for peace.

"Shamir said that wars started before Israel seized the lands it occupied in 1967, adding that Arab Palestinians held all of Palestine before world Zionism decided to immigrate to Palestine and to seize the Palestinians' homeland."

Dr. 'Ubayd adds: "The Palestinians have talked about the iniquities they have suffered and their legitimate rights, and the Syrians have complained about being accused by the guided anti-Syria media of things that they have not done. Shamir assaulted the Palestinians, as if they are the party that initiated the aggression, as he assaulted the Syrians and accused them of terrorism and of discrimination against Jews, thus forcing Syria's foreign minister to reiterate his well-known answer to the charges of terrorism, religious discrimination, and anti-Zionism.

"There is no doubt that Shamir offered one proposal, namely to shift the talks from Madrid to the Middle East, rather to the cities [capitals] of the countries concerned with the conflict. Meanwhile, all the Arab delegations offered proposals to end settlement activity, to build bridges of trust, and to discuss the legal status of the borders and the land, the conditions to achieve security and peace for all, and withdrawal from the occupied territories."

Dr. 'Ubayd further adds: "One issue of formality raised by Shamir nearly caused the meeting to collapse and became the top item on the discussion agenda. This issue seemed as if it were a tremor about to torpedo the peace process. Consequently, the demands of all the Arab delegations got pushed down the ladder of priorities. It would have been behooving for the agenda to be topped by the issues of ending settlement activity and building bridges of trust.

"It is my opinion that no delegation is strong enough to decide to withdraw from these negotiations, which have begun with comprehensive international support. Any such delegation will bear the consequences of its action before all the parties concerned, including the sponsoring countries, the EEC, and the UN. Maneuvering over formalities, which could torpedo the conference, has begun. This maneuvering will be repeated frequently in an attempt to torpedo the negotiations, or at least to delay them. But the required wisdom and international pressures will overcome these obstacles. Despite these difficulties, the negotiations will continue and will later move to discuss the basic differences concerning borders, territories, and the Palestinian people's legitimate rights."

#### Fayiz Abu-Rahmah, Gaza

"Opening sessions are ordinarily intended for the presentation of viewpoints on a problem. These sessions have abounded with information and they indicate that a solution may be found for the Middle East problem. Generally, the conference has been tantamount to an important means—a means made available for the first time—to solve the Middle East problem. I expect the

conference to succeed if Israel softens its stance and responds to the Arab call for reaching the point of justice, and if Israel meets the Arab demands for evacuation from their territories and for settling the dispute."

**Yusra al-Barbari, chairwoman of Palestinian Women's Union in Gaza Strip**

"As I have already said, I believe—and what I have seen and heard on television has made me more confident—that the objective of this conference is to normalize relations between the Arab countries and Israel. We have the following observations:

"Bush's address was fluid, and it cancelled all the principles Bush had mentioned to the U.S. Congress last March. In his Madrid address, Bush did not mention the principle of land for peace or the Palestinian people's right to self-determination. He also stressed that he could not pressure the negotiators, i.e., Israel. This is because Israel is master of the situation now that the Iraqi military force has been destroyed. He also failed to mention UN legitimacy, which he used as a pretext during the Gulf war, as he failed to mention human rights, freedom, and justice.

"One day before the conference was held, U.S. Secretary of Defense Cheney said that the U.S.-Israeli alliance is a firm military alliance and that the United States will maintain Israeli military superiority in the region.

"How can the United States pressure Israel to stop the settlement activity when Bush hasn't asked Israel to do so at the conference? This motivated Shamir to disregard in his address all the principles on which this conference is based. Moreover, at their meeting during the first session of the conference, Dr. Haydar 'Abd-al-Shafi asked Baker that the United States pressure Israel to stop the settlement activity. Baker responded: 'Regrettably, we cannot put any pressure on Israel.'

"How can we be optimistic about this conference, its outcome, the negotiations that will follow it, and their outcome if Bush and Baker have not yet been able to determine the site of the bilateral negotiations? Israel insists that the negotiations be held in it and in the Arab countries alternately, with the purpose of subjugating the Arab states and making them submit to the 1989 Shamir initiative, which seeks to normalize relations with the Arab states over the dead body of the Palestinian cause, before withdrawal from the Arab territories, and before the settlement activity is halted.

"I expect nothing but failure for the conference because of the double standard. Why doesn't the United States employ the same means and methods it has employed against Iraq? Where is international legitimacy? Where is the United Nations, whose representative has sat in this conference as a mute, deaf, and blind man?"

**Dr. Mahmud al-Zahhar, Gaza**

"In the name of God, the merciful, the compassionate. It is evident from the first session that the positions have not changed. Israel wants the state of Arab and Palestinian weakness to persist so that it can conclude peace treaties with the Arab countries as soon as possible and so it can then lead the Palestinian issue into endless labyrinths. Assuming the best, Israel will then content itself with preoccupying the Palestinian people with elections for self-rule in the occupied territories. This is the objective, and Israel has, regrettably, reaffirmed it with a number of fallacies to which no Arab side has, regrettably, responded. I will cite one example here:

"Shamir has said that the conflict has not been a regional conflict by evidence of the fact that it existed before the occupation of Gaza and the West Bank in 1967. He ignores that the conflict that existed before that date was a purely regional conflict over the territories occupied in 1948. This is an example of the fallacies. Add to this the contents of the amazing historical review and the dissertations which took the form of veiled orders and threats, and so forth. To put it briefly, Israel wants peace, land, and the Arab markets, and wants to confiscate the dignity of the entire Arab nation. The Arabs want the United States to be pleased with them and want to save face, if possible. The fact is that a man who analyzes the nature of the elements participating in the conference realizes that little, if any, good is hoped for from it. Another aspect is embodied in the Arab and Palestinian position, which has been detached from the historical roots and the religious and cultural dimensions of the conflict, and which has focused on the manifestations of hardship as a justification for demanding independence. The question asked by every Palestinian is: If, for example, this hardship is eliminated under self-rule, will the elements of the demand for Palestinian rights be nullified? It is evident that the Palestinian issue has dimensions that are bigger and greater than hardship.

"Only God, may He be praised and exalted, knows the hidden. But it seems from the given facts that, at best, the conference will not accomplish for the Palestinians, even for the most optimistic Palestinians, what they want."

**As'ad al-[Saftawi], Gaza**

"In the opening sessions of international conferences dealing with sensitive and difficult issues, the speeches are ordinarily aimed in three directions:

"The first direction is [toward] the domestic party, the second is [toward] the adversary in the conference, and the third are participants in the conference, with the aim of gaining their support. There is no doubt that such speeches adhere to the declared positions of all the parties. This is what has actually happened at the Madrid conference. But we, the Palestinians, have felt for the first time that we are presenting our cause to the world by ourselves and without Arab custodianship or containment. There is no doubt that there is some sort of

coordination of positions among the Arab parties, but I doubt that it has risen to the required level. Ultimately, by the testimony of most observers, the Palestinian delegation chairman and all those who showed up in sensitive situations in the name of Palestine rose to the level of the responsibility and gained the admiration of the entire world's opinion. This has been stated in the testimony of most of the political analysts that we have followed. It is indubitable that our cause is right and just. This is why the words uttered by the Palestinian representative have been powerful words.

"Despite the evident difference of positions in the opening sessions, all parties to the conference have agreed to quite a lot, especially their pledge to continue the negotiations in order to attain a final and lasting solution that ensures security, stability, cooperation, and coexistence among all of the region's peoples. There is no doubt that the presence of the U.S., Russian, and European delegations, and the continued coordination of positions among the Arab delegations is a definite guarantee of a great achievement through this conference. It is indubitable that the real positions of the involved parties will change during the bilateral talks. What is required here is agreement on developing a complete and comprehensive vision of the character of the region after a solution is attained. What is required then is to break up this comprehensive vision into gradual transitional phases in which all parties participate with positive mutual steps, especially between the two parties to the original conflict, meaning the Palestinians and the Israelis. This is what we call a complete scenario of the peace process. If the conference succeeds in transforming this scenario into specific steps tied to a timetable to which all parties adhere, then there is no doubt that this will facilitate the attainment of a final solution, regardless of how hard and difficult the beginning seems to be."

**Dr. Riyad al-'Aylah, Lecturer at the Islamic University**

"The Madrid peace conference has been held under circumstances and developments which have occurred in the Arab and international arena, and even the Palestinian arena, and through which our Palestinian people have experienced great hardship. However, this conference has been viewed as a historic step toward peace in the Middle East region that has lived in a state of war for more than 40 years. The opening addresses at the Madrid Conference, especially the Palestinian delegation's address, have been truly comprehensive. They have complemented each other and reflected the Palestinian people's hopes and aspirations. The Palestinian address was tantamount to a qualitative leap in the history of the Palestinian issue. It was expressive and touching and it reflected clearly the tragedy of the Palestinian people, who are demanding their legitimate rights from the international community, especially their right to self-determination and to establishing their independent state with Jerusalem as its capital. Generally, the Madrid Conference opening sessions have been frank and objective, despite the rigid and unclear positions taken by Israel. Our concept of dialogue is that all

interlocutors begin by taking rigid and difficult positions, which end up changing into moderate positions if the interlocutors keep in sight the principle of mutual concession in order to develop congruent positions that culminate in the conclusion of a mutual agreement.

"It is my opinion that if a friendly climate and good relations prevail in the conference, it will produce a solution, but not easily. The Madrid Conference talks will encounter serious twists and stumbling blocks erected with the objective of exerting pressure and dictating positions. The outcome of the long and hard negotiations will be in the interest of peace if the participants agree that the principle of peace must dominate the negotiation climate."

**EGYPT**

**Diplomats Comment on Peace Process**

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8 Nov 91 pp 25-26*

[Article by Usamah 'Ajaj: "AL-HAWADITH Interviews Arab Politicians on Conference: Bilateral Meetings Will Define Direction of Settlement, Arabs Negotiate From Position of Strength"]

[Text] Cairo—Preparation has begun for the second phase of the peace conference; certainly its most important phase, as it will be devoted to bilateral negotiations between the parties to the conflict: Israel on one hand; and Syria, Jordan, the Palestinians, and Lebanon on the other. The negotiations, which are expected to be arduous, difficult, and bitter, will attempt to resolve the complex issues surrounding withdrawal from the West Bank, Gaza, the Golan, and South Lebanon. AL-HAWADITH met with politicians and specialists in the Arab-Israeli conflict concerning prospects for the coming phase, the real weakness or strength of the Arab position, and possibilities for a solution. It interviewed Mahmud Riyad, former secretary general of the Arab League, 'Adnan 'Umran, assistant secretary general for political affairs, Taha al-Farnawani, former director of the Egyptian Foreign Ministry's Palestine Department, and Ambassador Salah Basyuni.

In his interview with AL-HAWADITH, Ambassador 'Adnan 'Umran, former Arab League assistant secretary general for political affairs, rebutted rumors that the League's role in conference participation and in rendering the Arab coordination effort successful had been marginalized. He said, "The entire Arab position is one that was created in the Arab League. It was shaped by many Arab resolutions that emerged from the League's councils at all levels, including the summit level. I would point out that the Arab position was summarized in a resolution passed at the League's most recent session this September. It affirmed League support for the five Arab parties in their position for bringing about a just, comprehensive peace based on Security Council Resolutions 242 and 338, relevant UN resolutions, and international

legitimacy. As for the Arab League's further role, the League is still considered to be the Arab house in which the Arab position is shaped. It is the body that coordinates between the occupied Arab parties [as published]. The resolution in question indicated the important role of the Arab League's secretary general in coordinating between the five parties. It should be mentioned that the first coordinating meeting was held at the initiative and through the effort of the Arab League and its secretary general, Dr. 'Ismat 'Abd-al-Majid, when the latter met with foreign ministers of the five countries in New York while they were participating in UN General Assembly meetings. This first coordinating meeting was very positive and important."

Ambassador 'Adnan 'Umran downplayed the importance of deteriorating conditions at the Arab level and the influence of this on Arab negotiators. He said, "Working for peace at any stage is a big, important responsibility. Although Arab conditions are not in their best state, especially after the Gulf crisis, the Arab position as a whole is unified on the Palestinian issue and the Arab-Israeli conflict. The unanimously-passed Arab League resolution confirmed this. The unified Arab position unambiguously affirms a complete, unconditional commitment to Arab rights. First among these rights, we list Israel's complete withdrawal from all occupied lands, including East Jerusalem, and enabling the Palestinian people to enjoy their national rights, especially the right of self-determination, as any of the peoples of the world. This is the Arab position that Arab negotiators are taking to the peace conference, because peace is part of our strategy as Arabs, unlike Israel. If we cannot bring about peace through negotiations, the Arab states will have tried sincerely. We then shall be able to draw conclusions and, in light of the results of the peace conference, formulate a new strategy to confront the challenges by other means that the Arabs may possess or that might be created in accordance with principles mentioned and affirmed in the charter and resolutions of the United Nations, as well as the principles of international law, which affirm the legitimacy of struggle and conflict to end occupation and repel aggression by all available means for any people."

Ambassador 'Adnan 'Umran was not surprised by the manifestation of Israeli recalcitrance recently. He told AL-HAWADITH: "This is nothing new and is not difficult to understand. Israel does not want peace, because peace, as we understand it, is an impenetrable barrier to expansion, which is the cornerstone of Israeli strategy and a tool of occupation and settlement. Therefore, everything Israel is doing and saying in the pronouncements of its leaders relates to a single important fact—that Israel is going to the conference determined to cause it to fail, having failed to prevent it from being held."

Salah Basyuni, Egypt's former ambassador to the Soviet Union and one of Egypt's Mideast specialists, expressed great optimism. He told AL-HAWADITH: "Arab negotiators should go into the negotiations with confidence.

From my reading of events, I see no justification for worry. We are not in a weak or threadbare position, contrary to what is appearing in many Arab writings. I think that is a defeatist attitude not in accord with the real state of affairs or with the abilities of the Arab nation. Israel will try to demand even more than its maximum demands, to provoke the Arab side. We must continue and not pull out. We must not give Israel this chance." Ambassador Salah Basyuni added the following about the Arab negotiator's elements of strength: "The Arab side goes into the negotiations backed by international legitimacy—supportive international positions. Europe supports the Arabs' right. The Soviet Union is committed to the principles of a solution. America's position is not fully supportive of Israel. The Arab observers, especially Saudi Arabia and the Gulf states, by virtue of their excellent relations with the international parties present at the conference, are a great asset for the Arab position. We are not empty-handed. We are in a strong, sound position. Israel is beleaguered at the Arab level and internationally. That is the basis of our entry into the conference."

Ambassador Basyuni developed his ideas: "The conference may or may not succeed. The issue is that the negotiations should continue and that Israel not be given a chance to back out. There must be an Arab position, full coordination of the negotiators, and complete integration, even in the negotiating rooms."

About the possibility of differing and contradictory American promises to the negotiating parties, Ambassador Basyuni said: "The letters of assurance were a new kind of measure that American diplomacy arranged in order for the conference to be held and for the various parties to agree to enter the conference. The American position is not a negotiating position, for it is not America's business to agree or not agree about what takes place in the negotiations; that is the responsibility of a negotiator, and America is not in the position of a negotiator. Its role is to facilitate and coordinate so as to reach a compromise. The assurances are merely interpretive notes to reassure the parties so that they agree to participate. What happens in the negotiations is something else and is the responsibility of the negotiating parties. The assurances do not constitute a commitment by the American government, nor is America committing the negotiating parties. At most, they are an interpretation of the positions."

About Israel's continued building of settlements, Salah Basyuni said: "My view is that, at the beginning of the negotiating process, a new reality will be created. One cannot imagine that Israel will continue to build settlements while negotiations proceed about bringing peace, particularly when the influential parties in the international system—especially America—reject building settlements and consider them an obstacle to peace. America rejected Israel's request for financial guarantees for building settlements and delayed consideration of the subject four months. There is no agreement between Washington and Tel Aviv on this point, in particular. If

Israel continues to build settlements during the negotiations, it means an Israeli confrontation with America. I think President Bush has reached a level of popularity and mass appeal in American public opinion that does not make him susceptible to influence by the Israeli lobby. His success in convening the conference has put him in a position of strength for next year's election campaign."

Raising a new idea, Ambassador Basyuni said: "The only meaning I can see to Israel's eagerness for assurances or guarantees from the American side lies in fear of peace and anxiety about the results of negotiations. Let us recognize that a nation that has the elements of military force and land and that has to ask for such guarantees fully understands that it is in the weaker position. The international positions are in our favor. That is why Israel refused to participate in the conference and tried to scuttle or postpone it, participating under compulsion and American pressure."

In his interview with AL-HAWADITH, Taha al-Farnawani, former director of the Egyptian Foreign Ministry's Palestine Department and one of Egypt's experts on the Palestinian issue, did not separate James Baker's efforts and his eight tours from previous American efforts. He said: "Earlier, there were the efforts by George Shultz and Richard Murphy, all aiming to promote the peace process. Baker did not begin from a vacuum; he built on what others had done previously. The negotiations began only in the wake of recent international changes and with compliance with many Israeli demands. They have always been against an independent Palestinian state, against PLO participation, and against Soviet participation until it permitted Jewish emigration and restored diplomatic relations. Nevertheless, the Arabs had no choice but to participate. The matter depends on Israel's intentions. If they are sincere, we can reach reasonable results, but they are not outstanding."

Criticizing the position within the Palestinian side, Taha al-Farnawani said: "The decision to participate in the conference came from the Palestinian National Council. Upon entering the negotiating room, all the liberation movements united more than they had before. There is need for unity. This is what happened in Zimbabwe when they were unable to reach their independence. But the situation on the Palestinian scene is amazing and strange. No one is denying the importance and justification of divergent viewpoints, but the Palestinian cause and the entire region are at a crucial turning point that requires the efforts of all Palestinians. The positions now being taken by the Popular Democratic Front [for the Liberation of Palestine] and Hamas are unacceptable. I wonder what they want."

"Any problem can be solved politically or militarily. The military solution is virtually impossible, given current circumstances. The political solution requires solidarity and unconditional support, so that no one dictates to us. We have to be present on the scene and not discredit the

participants in the negotiations, particularly inasmuch as respect for the majority that decided in the National Council and Central Council to participate is a feature of any democracy."

Noting an important indicator of the negotiating process, Ambassador Taha al-Farnawani told AL-HAWADITH: "Some may be surprised that the fruitful and effective negotiations between the Arabs and Israel took place with the Likud. Egypt concluded Camp David when the Likud was in power, and Begin was as much of a hawk as Shamir. All our wars with Israel were when there were Labor or Ma'arakh governments. Shimon Perez is not the person who can impose peace between Israel and the Arabs. I remember how, while I was still at my position in the Foreign Ministry, I received an Israeli Likud delegation just after Shamir took office. They announced then and there that they were ready for negotiations, now that Shamir was in, about the West Bank and East Jerusalem. It appears that extremists are the ones who can negotiate. At least I am completely aware of their ideas and their real positions."

Taha al-Farnawani gave his view of how the Arab side could be successful in the negotiations: "The matter depends on supporting the intifadah by all means and also on trying to influence Israeli public opinion, which is a force not to be underestimated. If the choice before it is between living with peaceful borders with cooperation and stability in the region, versus continued Israeli control over the West Bank and occupied land with continued tension, then the choice is clear and sound. Israeli public opinion is so powerful that when it held the Likud celebrity Sharon responsible for the Lebanon invasion and the Sabra-Shatila massacre, 400,000 Israelis marched in a demonstration against him, and he had to resign."

Mahmud Riyad, former secretary general of the Arab League and an expert by virtue of his participation in conducting the Arab-Israeli conflict since its inception in 1948, made the following observations to AL-HAWADITH on the American position: "Circumstances have certainly contributed to rendering the American side more effective and eager to reach peace in the region following the Gulf crisis. There is President Bush, who is the American president most qualified to bring about peace in the Middle East due to his thorough acquaintance with the region. He is assisted by Baker, who has a great talent for bringing sides together and creating formulas that satisfy all parties. Also, the Soviet Union and the European groups are cooperating to the full with Washington." Mahmud Riyad called attention to Bush's statement after he announced he was sending out invitations to the peace conference, and his emphasis that the goal was no less than reaching a comprehensive, lasting settlement of the Arab-Israeli conflict to be brought about on two tracks—direct negotiations between Israel and the Arab states, and negotiations between Israel and the Palestinians on the basis of Resolutions 242 and 338. Mahmud Riyad said that Arab negotiators must pay attention to the minutes of the

Security Council debate before it passed Resolution 242 and the minutes of the meeting at which the resolution was passed. They must read the minutes of the four-country committee that met in New York at the request of French President Georges Pompidou in 1969-1970, with President George Bush attending the last meetings. The most important interpretation of the resolution's provisions was the section that the four great powers approved concerning Israel's withdrawal to the 1967 borders.

Mahmud Riyad supports the Arab position that peace and an end to the existing state of war should be linked to Israeli agreement to withdraw from the occupied lands. It will then be possible to move to stage three and consider ways of regional cooperation in areas agreed on by the affected parties. The Arab states will have no motive for rejecting cooperation by all states of the region, as long as it strengthens peace and causes no harm to their interests. Mahmud Riyad revealed that Israel, as mentioned in Foreign Minister David Levy's speech before the United Nations, wants to overcome the problems in order to reach stage three and establish regional development projects in the areas of water, environment, electricity, energy, agriculture, and transportation, and might link its withdrawal from the Golan, for example, with progress in this stage.

#### New Banking Law Reportedly Causes Crisis

*92AF0145A London AL-SHARQ AL-AWSAT in Arabic  
9 Nov 91 p 10*

[Report by Sahar Fawzi]

[Text] The banking and credit draft law caused a sharp crisis in Egypt and a heated debate between bankers, economists, and government officials. Some reject the ideas introduced in the draft law because they are not compatible with the economic liberalization. Some others consider the articles of the law as a plot to eliminate the position of the minister of economy by removing his legal authority and conferring it upon the governor of the Central Bank in order to concentrate power in the hands of the Central Bank. A great number of Egyptian economists agree that the present phase in Egypt requires a new banking law, and they refuse to resort to reforming the old law by issuing new decrees which will increase complications and barriers in the way of progress and economic reform. Among supporters of this opinion is Dr. Faraj Abd-al-'Aziz, Professor of Economics at the Business School at 'Ayn Shams University, who believes that the new law should embody the existing seven laws concerning the Central Bank and banking. He maintains that in order to have a liberalized economy, we should strengthen the role of the Central Bank by giving it the authority to draw up a successful economic policy. However, the role of the minister of economy should not be ignored. He further added that the new law should give a great deal of attention to banking supervision and to reserve the right to dismiss

the bank's board of directors when depositors' money is clearly in danger. Also, banks should be restructured and their capitals supported.

Samir Tubar, president of the economic committee of the National [Democratic] Party [NDP], indicated that liberalizing the banking system is a must in order to avoid what happened to the capital investment companies. Supervision of the banking system is required in order to prevent any local or international financial failure. However, he does not believe that the minister of economy should be stripped of his authority in favor of the governor of the Central Bank.

Dr. Rida al-'Adl, professor of economics at 'Ayn Shams University, believes that there should be regulations governing the banking system in Egypt, especially in the coming phase, where several factors will dominate the banking activities in Egypt; such as price stabilization, which requires superior experience and efficiency in bank administration and banking operations. Dr. Rida al-'Adl added that the banking system in Egypt needs more expertise. "This is what we lack, because several bank directors and boards of directors are like a group of employees who were promoted up through the ranks. There came a time in Egypt when any retiring minister, believing he was a banker, would open a private bank without even knowing who is the debtor and who is the creditor." This, in his opinion, caused difficulties in attracting capital and, subsequently, there should be a law that takes into consideration the development of banking sectors in the coming phase.

Dr. Fathi Muhammad 'Ali, secretary of Commercial and Industrial Activities in the NDP, believes that it is necessary to include a clause in the law calling for the removal of the Central Bank governor when he fails or proves unable to fulfill his responsibilities. The governor should also answer to Parliament. This is not in conflict with his authority, independence, and freedom in implementing his ideas, because he is considered a government advisor who manages a bank.

Salah-al-Din Husayn, member of the Investors' Division of the Federation of Egyptian Chambers of Commerce, represents those who oppose the new law. He stated, "We are against the trend toward more centralization. The proposed amendment prescribes that authority be centralized in the hands of the Central Bank governor, despite the fact that the Central Bank, during the past ten years, failed to show any success in the policies it adopted. Also, the banks which are under the control of the Central Bank were subject to difficulties and disequilibrium." He called for an inquiry to be sent to the officers of the 66 banks operating in Egypt in order to determine their opinion in this matter. He added that the new law prescribes that the governor of the Central Bank select only two [officials] out of the 66 banks as members of the board of directors at the Central Bank, and this makes us wonder about the role of the Egyptian Federation of Banks in this situation.

Counselor Mahmud Fahmi believes that the new law is based on taking away the authority of the minister of economy and giving it to the governor of the Central Bank. Constitutionally, the minister, not the governor (who is not a member of the cabinet), is in charge. Also, the new law strips the minister of his right to institute legal proceedings against banks in violation of the law. This right should be given back to the minister of economy, who also has to be renamed as manager of the Central Bank because, politically, he is in charge of the banking sector.

Mahmud Al-'Arabi, president of the Federation of Egyptian Chambers of Commerce, maintains that banking supervision should be the sole responsibility of the Central Bank, because it understands the nature and sensitivity of banking activities. Also, excluding all others, only the governor of the Egyptian Central Bank and the minister of economy should have the right to institute legal proceedings against bankers in matters relating to their banking activities. He further added, "If the Egyptian Central Bank should intervene in selecting members of banks' boards of directors, then the selection of bank managers should be given to the boards of directors, because they are in charge of running the bank. A minimum capital of 100 million Egyptian pounds should be set for banks. In addition, small banks should be given time to reconcile their affairs, either by a merger or a capital adjustment. Funds and accounts in banks should not be subject to administrative confiscation. Also, confiscations by a bank should be permitted by the law so that the bank secrecy law will not be stripped of its contents."

## IRAQ

**Saudi Paper Profiles Domestic Conditions**  
*92AE0077A London AL-SHARQ AL-AWSAT in Arabic*  
5, 6, 7 Nov 91

[Article: "Reports, Eyewitness Accounts from Baghdad; Living Conditions in Iraq in Wake of War, Blockade"]

[5 Nov, p 7]

[Text] Days have passed and the day seems as long as a thousand years, and a moment as long as a lifetime. With every sunrise, more and more questions are raised in the wake of the great earthquake that hit the region: How is the situation in Baghdad? In what condition are the Iraqi people? Is there an end to the darkness? What about the blockade, and bread and medicine? Have mentalities and patterns changed, or is everything still the same as though nothing happened?

The Tigris River has not changed its course, and Abu-Nawwas has not left his seashore. Al-Rasafah residents turn their backs to al-Rasafah to stare from behind the river at the other bank where al-Karakh is located,

singing a song to the effect that those standing in awe of al-Rasafah and the bridge have killed them with their eyes.

Baghdad, this amazing city that led one of the greatest empires on earth and in history, and which has suffered for a long, long time under the scourge of invaders and police, seems—with the early hours of the night after bidding farewell to the last rays of sun—sad, weary, exhausted and afraid of the past, the present, and future.

Al-Rashid left ages ago and Abu-Nawwas left a thousand years ago. Nevertheless, this amazing city, as late as a year ago, used to stay up all night and rise at dawn. But the Baghdad of today is different from the Baghdad of yesteryears. People cross the streets as though they are carrying birds on their heads, and the loud laughter that used to fill the city has disappeared and has been replaced by a sad and heartrending silence. Shishkebab and bajah [pachah] vendors wait earnestly for the people who used to crowd them on the sidewalks and al-Nahr [River] Street. The gold and silver jewelry market has forsaken its past and become like any other street in a forgotten African village.

The autumn dampness is mixed with early winter drizzle, and the trees around the Tigris River sway with diffidence. Even though it is still early in the evening, passersby are precious few, as though Baghdad is still living under the war and bombardment, and taking shelter in houses and cellars before sunset. The streets of the 'Abbasid capital, which was accustomed to noise, fanfare, and plain living, seems empty, save for posters and statues of a mythical creature, appearing in the same place and the same street in bedouin attire, in Kurdish attire, in an English hat, on the back of a white horse, with or without a sword, smiling and sometimes seemingly crying, and so on and so forth, in countless pictures and innumerable statues.

There are no military patrols in the streets and no checkpoints, but people get the feeling that on every corner and in every place, with every gulp of water and breath of air, there is an informant counting every whiff of air they take and following them like shadows. They also get the feeling that they are being watched and followed, and that there are tape recorders in squares, in the trees, in juice glasses, in bedrooms, in the sky, and on the ground. You feel that everyone around you is an informant: passersby are informants, shopkeepers are informants, car drivers are informants, your father is an informant, your mother is an informant, the trees are informants, statues are informants, windows, street lights, and air—everything.

What a difference in al-Mansur Street. Lights are everywhere: yellow lights, red lights, green lights, and auburn lights. You wonder to yourself, why this overkill in lighting? Is it to allay fear of an unknown newcomer? Is it to convince oneself and others that everything is back to normal and the country and people are fine?

**Slain City**

This is Baghdad, a city that looks back with fear and terror and looks ahead with fear and terror. It remembers the days of bombardment and destruction and whimpers under the scourge of the blockade, suppression, high prices, and lawlessness. It is a slain city that spreads its arms on the banks of the melancholy Tigris River that flows with quietude and serenity and licks its wounds like an injured lioness. This is Baghdad, home of al-Rashid and the caliphs and the capital of the Arabs, science, and promising days.

But are the signs of destruction still visible? Are the shell imprints conspicuous?

As for the people, the ordinary people, the tragedy is still as clear as the sun. Black is everywhere—on heads, around the bodies, and on homes. There is endless talk about a son or a brother or a father who went off to war and did not return. Children in the streets tell stories about war, missiles, destruction, and death. A teacher appeared on a TV show with a group of children, and instead of talking to them about birds, roses, and Sindbad, who began his voyages from Baghdad, she talked to them about war, missiles, and armies, and began asking them about war, missiles, and armies. She also told them about the leader who was sent by divine providence to save the children and the people from missiles, planes, and war!!

**Gone, To Never Return**

A young girl, who tried to put a smile on her baby face but turned pale and was overcome with sadness, said that she lost her eldest brother in the war with the neighbors to the east, her middle brother in the war with the neighbors to the south and all around, and the youngest brother did not return from a mission to the north. She said that her father went out one night, and she did not know whether he was alive or had joined her three brothers. She also said that her mother became insane as a result of this, and did not leave the house in the Baghdad suburbs, spending her time either sick or rambling to herself and talking senselessly about waiting for people who are not there.

**Priority to War Merchants**

In Baghdad, the city of al-Rashid and the capital of glory, the sight of barefoot children roaming the streets and rummaging through garbage cans has become familiar. Begging—and Iraqis are known for their pride and sense of honor—has become an unobjectionable vocation. Whereas people used to go to the butcher to buy just a pound or a few ounces, but large quantities of meat, the subsidized price for a kilo of meat is 16 Iraqi dinars, and 26 dinars on the black market. A dollar is worth 10 dinars, and the average income is 150 dinars.

Everything is available in Baghdad and other Iraqi cities, with the exception of antibiotics and anesthetics for surgery. But, what is there can be obtained by a small

group of people: either by merchants of war, speculators, black market dealers, or by party and military leaders and high-ranking government officials. To everyone else, a skewer of shishkebab is only a craving, and getting a bowl of bajah is a cutthroat business. As for clothes priced in Kuwaiti or non-Kuwaiti currency, they are plentiful.

**Black Market and Stolen Goods**

Baghdad—which used to stay up all night on the Tigris beaches and in pubs and eat smoked carp, shishkebab, and bajah in restaurants—now holes itself up as soon as darkness starts creeping in through the palm trees. During these long nights, Iraqis hardly talk about anything but their troubles and grief, their daily bread soaked in blood, their stolen cars, their sons who did not return, their unfulfilled hopes, and subsidized and unsubsidized foodstuffs.

Subsidized foodstuffs comprises rice, sugar, bread, meat, poultry, and oil. However, individual monthly rations are hardly enough for ten days, and therefore, people with enough money turn to the black market to make up the shortage and get some good-quality items that are not included in the subsidized foodstuffs.

Unsubsidized items are brought in either through smuggling across the Jordanian-Iraqi border, across the Iranian-Iraqi border, or across the Turkish-Iraqi border. The government used to permit the importation of anything and everything, duty free and without declaration, but it rescinded its permission some time ago, restoring the old system, whereby imports are tied to the Ministry of Commerce and subject to old rules and regulations.

These are the effects of war on the people in Iraq. There are many more long stories that would require volumes to record, and history may some day record them or overlook them, as it has overlooked a number of momentous events that the Arab nation and this country have experienced. People coming to Baghdad right now would hardly believe that this city has been subjected to tens of thousands of raids and hundreds of thousands of tons of explosives.

**Bridges and Statues**

Reports say that the number of bridges totally or partially destroyed by the war is close to 62, including three main bridges in Baghdad that link the two al-Karakh areas, where the new residential sections and government and party offices are located; and al-Rasafah, where the old city and some offices, institutions, and markets are located.

Through incessant work, to which the army made major contributions, two of these three bridges have been repaired, leaving only one "suspension" bridge which, to a certain extent, resembles the Hammersmith bridge in

west London. Repair shops are now working day and night to repair it, and it is expected to reopen before the end of this year.

Because the number of private and public vehicles has nearly doubled due to the many vehicles brought in from Kuwait during the time the Iraqi forces were there, Baghdad's main streets are gridlocked, especially during morning and afternoon hours. The aforementioned suspension bridge may be the main cause of such gridlock, because it links the two downtown districts and is located in an extremely sensitive area.

Speaking of cars brought in from Kuwait, no one knows the real numbers, but one can get a good idea from the fancy American and German cars on the road that now have valid Iraqi, instead of Kuwaiti, license plates.

In addition to cars, goods brought in from Kuwait can be seen everywhere, inside Baghdad and outside in major cities and remote villages; in first class boutiques, department stores, and modest shops; on sidewalks; and in homes, restaurants, and hotels. No one can enumerate or calculate such goods because they are plentiful, very plentiful. They include razor blades and chewing gum; Kuwaiti airlines promotional pens; buses, cars, and coaches; power generators; and military and civilian aircraft parts.

#### **Then There Was "Top Man"**

In al-'Arasat District in al-[Karadali], one of the most exclusive districts in Baghdad in good times and now, there are scores of specialty stores selling clothes and goods brought in from Kuwait, including a store called "Top Man" where people who can afford it can buy any kind of men's clothing, from suits to leather jackets, to shirts with various labels, to neckties to socks to underwear. All this merchandise has Kuwaiti price tags, and a shirt is sold for 15.75 Kuwaiti dinars, which is equal to 230 Iraqi dinars.

In al-Mansur Street and Tahrir Square, and even on al-Rashid Street, all kinds of electric appliances of the best world makes, which used to be in Kuwaiti warehouses and stores, are sold. Of course, these appliances have Kuwaiti labels, but are sold in Iraqi dinars.

Visitors to Baghdad may be embarrassed to ask why the price tags are in Kuwaiti currency, but their embarrassment soon dissipates when they find that merchants speak freely, openly, and sometimes proudly about this matter and when they discover that this is more than normal to everyone, without exception.

#### **Nationalism's Demise, Regionalism's Salvation**

While bridges in Baghdad and other cities have either been repaired or are under repair, main installations, such as communication and satellite stations, the telephone center, and the Ministry of Industry, as well as an

endless number of post offices and electric power stations have all been repaired and are almost back to normal.

The National Command's building is virtually the only building left unrepairs. Iraqis like to joke that America missiles destroyed the National Command's building in Baghdad, but did not hit the regional one.

In the courtyard of the totally-destroyed National Command building, the statue of the Ba'th Party founder, Michel 'Aflaq, can be seen lying on the ground with one leg missing and shell shrapnel embedded in its chest and skull.

What is remarkable is that Saddam Husayn's photos and statues, as numerous as they are, have not been hit by a single shell or shrapnel, save for what happened in the south during the insurrection and what happened in the north, where Kurdish forces advanced to some cities and towns. Another remarkable and striking fact is that, during the war, raids avoided the well-known al-Suyuf Square, the Ministry of Foreign Affairs, the Martyrs' Memorial, and the al-Qadisiyah district on the banks of the Tigris River, where the villas of ministers, high-ranking officers, and members of the Revolutionary Command Council [RCC] are located.

[6 Nov, p 8]

Whereas the second Gulf war has ended elsewhere, it is still raging at its peak as far as the Iraqis are concerned. War is everywhere: in prices, at home, at the cemetery, on people's countenances, and in parks and public squares. War has virtually changed everything in Iraq, save for the Iraqi president's photos and statues, which can be found everywhere; and the ruler's mentality, which has not changed one bit.

Psychologists believe that humor is the weapon of oppressed peoples who are not free to express their thoughts. In Iraq, humor and wit spread as fast as a brush fire, to the extent that a joke told in the morning in Baghdad can be heard by evening in al-Mawsil, al-Ramadi, or Basrah. Iraqi humor about the war and its causes is marked by the fact that its tartness is mixed with great bitterness and hidden rancor.

#### **A Piece of Banana**

One big joke about the war, which can be heard at camps, in schools, in the streets, at home, in cafes, and in restaurants, says that, as smart and perceptive as monkeys are, the Africans have a simple way of hunting them. They set a trap for them by leaving a small opening in a bamboo box with a large piece of banana inside it to attract the monkeys. When the monkeys see the banana inside the box, they clench their fist and squeeze it through the small opening to grab the banana, thus making their hand many times larger than normal. Consequently, they get trapped in the box because they refuse to let go, and their hand, which went in empty,

cannot come out of the opening, whereupon hunters come to get their prey with no problem at all.

### Tears and Laughter

The Iraqis say that it is clear who the monkey is, that the banana is Kuwait, and that the hunter is the super-powers. Iraqis laugh at this joke, but do so with sorrow and disgust because, when the monkey held on stubbornly to the banana that got him into the trap, he brought trouble only upon himself. But the one who held on stubbornly to Kuwait brought tragedy to an entire people and a whole nation, causing a great deal of destruction in the whole area.

Another joke says that a highway robber fell into a trap set for him by a group of men. When these men caught him and held him at gunpoint, they gave him a choice of between paying 100 dinars or eating 100 pieces of onions or receiving 100 lashes of a leather whip. First, he opted for the hundred lashes. When the lashing began and got to the last ten, he began to yell and ask for help. So the lashing stopped and he chose to eat the hundred pieces of onions. He began eating, and when he got to the last ten pieces, he began to vomit and yell and cry. The eating stopped, but they forced him to pay the 100 dinars, thereby getting all the lashes, eating all the onions, and paying all the money. With laughter mixed with tears, the Iraqis say that this is exactly what happened with their president.

### Country Without Establishment

Ask the Iraqis what brought on their defeat: Was it the advanced technology, the fact that they were severely outnumbered, or something else? You get many answers. The almost-unanimous answer, however, is that Iraq does not have an establishment. There is only one opinion that counts, and war and peace decisions are made by one man. As for the others, either they are less capable of participating in the decision-making process at this level, or they know right from wrong and what should or should not be done, but lack the courage to express their opinions as long as such opinions are incompatible with the opinion of "Mr. President."

### "No Sir, Not At All!"

Iraqis tell a story about an Arab official who visited Baghdad at the peak of the crisis following the invasion of Kuwait. They say this official carried a written pledge from President Mitterrand to the effect that France and the Soviet Union would forestall the declaration of war on Iraq in the name of the Security Council if the Iraqi president were to issue a statement of good intentions, saying that he was ready to withdraw from Kuwait. When the Arab official presented this offer to Saddam Husayn, the latter laughed disapprovingly, pushing a button and asking for a military division commander to come see him. When this high-ranking officer arrived, he put this question to him: "We have an offer to announce our intention to withdraw from the 19th Province, so would you agree to withdraw from our country?" The

only thing this high-ranking officers could do was give the military salute and say at the top of his lungs, as though he was at some military barracks: "No sir, not all. The army, the party, and the people would disapprove." The Arab official had nothing else to say and never raised this subject again, and things proceeded in the now-familiar order.

A war story told in Baghdad goes like this: On the eve of 2 August, a few hours before the occupation of Kuwait, senior military officers, who were either on vacation in their faraway hometowns or had retired when the war with Iran ended, were summoned and asked to head for Basrah to prepare for an attack on Kuwait. When they asked for time to scout and study the battlefield, their request was rejected on the grounds that the secret wold be out and some Arab countries would get wind of it, thus losing the element of surprise.

So, what really did happen? Why did matters take such a turn? Did Saddam Husayn fall into the trap the Americans set for him, or are the secrets still a secret, and the day will come when all these secrets will be disclosed?

### Forced To Go to War

Iraqis are not concerned about the answer to this question, and not interested in whether their president fell prey to a plan hatched by the Americans and others. What they care about is the fact that this affair brought noting but destruction and ruin to Iraq, Palestine, and the entire Arab nation. They say this tragedy could have been averted and that, whereas they have to believe that war with Iran was inevitable, they do not believe they were compelled to go into Kuwait and not to withdraw from it.

In a brief encounter, a young man who tried to respond to the viewpoint that war was inevitable and the decision to destroy Iraq had been taken a long time before the occupation of Kuwait, said the following: "What kind of talk is that? In our war with Iran and in this war, we lost over 1 million young men and large parts of our land. Here we are, an occupied country with no control or sovereignty over territory. On top of that, our children are dying by the hundreds and our women are rummaging for food in garbage cans. Our people, who are not accustomed to emigration, wish they could leave once and for all to any other country on earth.

### Things Do Not Add Up

"The fact is that people listening to the Baghdad media get the feeling that nothing whatsoever had occurred. The well-known ALIF, BA [A, B] magazine always has either a photo of "Mr. President" on its cover or some other subject that has nothing to do with the war, the causes of the war, or the aftermath of the war. The same goes for all other Iraqi newspapers, radio, and television. The president's photos are the main attraction, and so are his statements and "we did not get the feeling that we did not win this major showdown."

"Neither were we aware of the presence of multinational inspection teams; of the Turkish troops' 60-kilometer incursion into Iraq; or of the destruction of the super gun, hundreds of warheads and launchers, and thousands of tons of chemical material."

Of course, the press and other mass media are wreaking their wrath upon the Arabs and the Arab nation because the Arabs are the ones who let Iraq down and because the Arab nation failed to do its duty as required. When told that the Iraqi leadership entered its battle and invaded Kuwait without consulting the Arabs and the Arab nation, the following answer is given: "Do you want Saddam to reveal his secrets to the Arabs? Do you want him to stick his neck out and expose himself to the agents of Israel and the United States?"

Right now, Baghdad has five newspapers. They are: AL-JUMHURIYYAH, the organ of the government; AL-THAWRAH, the party organ; AL-IRAQ, the organ of the Kurds; AL-QADISIYAH, the organ of the army; and BABIL, the voice of Mr. 'Uday, "Mr. President's" son. These newspapers are similar in form and content and always have a photo of "Mr. President" on their front pages. But do people read, watch, and listen to these media?

A 60-year old man with long experience in the field of communications, going back to the pre-1958 coup era said: "I challenge you to find anyone buying any newspaper published here. I challenge you to catch any person listening to news reports on the radio. I challenge you to find anyone watching the news on Iraqi television. People have lost confidence in everything and listen only to foreign news reports broadcast on such radio stations as "[Radio] Monte Carlo," "Voice of America," and the "BBC."

Asked whether she watches TV in the evening, especially since people do not go out as much to restaurants, cabarets, and clubs due to the economic slump and bad security, a lady said: "God bless the video. We exchange movie films and programs with the neighbors, and every night watch many movies and serials."

The same thing voiced in the streets and at home about the war and its causes is also expressed in party circles, but in a hush. Asked about the real cause that led Saddam to occupy Kuwait, a national party leadership member said: "We have not yet resolved this matter in our minds, and need time to judge whether this decision was right or wrong."

#### Regional Shifts

Speaking of the national leadership, its beautiful and luxurious building, which reportedly cost over 12 million dinars when the dinar meant something, is the only structure that has not yet been repaired. Many people like to say that this building—which has been left in disrepair with Michel 'Aflaq's statue, minus a leg and the eyes, lying in front of it—points to actual shifts in the ruler's mentality, both in the regional and national

levels, and that the recent decision adopted by the Iraqi Government banning Arabs from working for the Ministry of Industry underscores this trend and affirms that Iraq, with or without Saddam Husayn, is headed for a period of regional isolation and self-imposed withdrawal. Notwithstanding the lack of statistics in this regard, there are about 1.5 million Arabs residing in Iraq on a permanent or temporary basis, 1 million of whom are Egyptians working in farming, in restaurants, or in non-government jobs. The rest are Palestinians who arrived recently or have been in Iraq since the 1948 defeat, Jordanians, Sudanese, and some Moroccans, most of whom work in restaurants and first-class hotels. To be fair, Arab communities in Iraq have not been subjected to willful harm, and any visitor to Iraq can sense that Egyptians in Iraq work freely and without harassment. Some say this is because Iraq needs their expertise and their skills, which Iraqis lack, and that is why the government always tries to please them and hold on to them. In this regard, another reason is cited, namely that the Iraqi leadership is trying to augment the Sunni population in Iraq, especially in the wake of recent events in the south, where the majority of the inhabitants are Shi'ites, and, therefore, it is trying to please the Egyptians and settle them in Iraq.

#### Bias Toward Regionalism

However—and this is a fact—anyone who has thoroughly studied the Iraqi populace can actually detect bias toward regionalism at the expense of nationalism, and can also detect the feeling among some Iraqis that the hardships they have endured can be attributed to Palestine and to nationalism issues. Therefore, should this situation persist, one cannot rule out the possibility of resentment building up among the ordinary populace against Palestine and the Palestinians, as well as against the Arabs and Arab issues. In this area, the official media do their fair share of intensifying this conception, willingly or unwillingly, when they blame the Arabs, all Arabs without exception, for the international blockade imposed on Iraq over a year ago.

The anti-Arab tone heard in Iraq, which may serve the regional powers in the long run, is countered by a shift toward the West, and even sympathy with the inspection team that is doing its work on Iraqi territory. This is due either to a sense of frustration caused by the outcome of the war or to a desire to vent anger and take revenge against the regime, who the Iraqis feel led them into this situation. This shift is evidenced by the fact that not a single report has been filed against any members of the inspection team, including refusal by hotel employees to serve their needs. In this regard, a veteran party member, who lost his post after Saddam Husayn came to power, said: "Some Iraqis are volunteering important information to the inspection team about arms and armaments, missiles, and chemical and nuclear reactors."

#### Arrogant Regime

Whereas this party member's claims may be somewhat questionable, tales recounted by officials in Iraq show

that they are now fully convinced that they may have erred by opening a door to travel abroad, because many of those leaving the country go to U.S. and Western embassies to volunteer very important information about military conditions and military industrialization programs.

The truth is that the vast majority of Iraqis do not care about inspection teams or anything of the sort, because they are busy trying to get their daily bread. Iraqis criticize the existing regime for its arrogance and its efforts to minimize the Iraqi people's defeat by expediting the renovation and repair of installations destroyed by air and missile bombardments, instead of providing medicine for the sick and wounded and bread and other basic needs at reasonable prices.

[7 Nov, p 7]

The big question raised inside and outside Iraq is: How long can Saddam Husayn withstand the consequences of the war, and will new factors and elements intervene to break the blockade and change the situation, enabling the Ba'th Party to rejuvenate itself and convince the world to coexist with it? Or, is it a matter of a few months, and the blockade will continue until President Bush makes good on his promise to bring down the Iraqi president, thereby driving this phenomenon out of Iraq and out of the Iraqis' minds?

Senior Iraqi officials do not deny that the only place that the Iraqi regime controls at any given moment is the street where Saddam Husayn's hideaway was located, and that a single company or a single group could have overthrown the government during the revolution in the south which, oddly enough, even ordinary people call "riffraff," influenced, perhaps, by the official media. These officials also admit that the allies and some countries in the region did not try to find a replacement [for Saddam], as long as this replacement is unprepared and unknown, and as long as its advent may set off worse things than those unleashed by the current regime.

Iraqis openly say that the renowned events in the south were unorganized, and were not led by any of the forces that claimed power abroad and extensive support within the country. Rather, they were a spontaneous offering, hence the reason that they were unfocused. People were going out into the streets to attack government and party headquarters, influenced by radio programs beamed from abroad, because the government had totally disappeared, the party had come apart, and the hungry and vanquished army remnants were taking part in indiscriminate looting and pillage without any command or control.

A party member said that "everything had collapsed and we had lost contact with our leaders. The government had lost control over its agencies. We felt that Baghdad was living through the same situation, and that the regime had totally collapsed. That is why we were more concerned right from the start with sparing ourselves than defending our positions. The opposition was in a

similar situation. People were chasing one another in the streets without any direction, and fires were set to supply centers, cars, and machinery, which could have been used by the rebel forces if they had been well-organized and well-led."

One thing, of which the educated class in Iraq were certain, is that the United States shut its eyes to the fierce military operation, which included helicopter attacks against the uprising, because it did not seek to change the rule of the Iraqi president. The allied command could have neutralized the entire Iraqi Army, the Republican Guard in particular, had it followed a different course. This is notwithstanding the fact that its main goal was to remove Saddam Husayn and topple the existing regime.

As to why the allied forces failed to do what they were supposed to do, the Iraqis give a number of different answers, depending on their regions and their tendencies. The basic and almost unanimous answer, however, is that the allies never intended at any time to partition Iraq and undermine its unity, hence the actions they took for fear that a certain type of state might emerge on part of Iraqi territory with support in, and influence on, similar neighboring regions, particularly those of special circumstances.

This is in the south. As for the north, Iraqis are convinced that the Western countries are not about to set up a Kurdish or quasi-Kurdish state on Iraqi soil, because such a state would encourage other minorities in the area and the world to demand the same thing, because both Iran and Turkey view the establishment of such a state as their political coup de grace, given the large presence of Kurdish minorities in them and in view of the fact that the establishment of such a state would encourage their Kurdish populations to demand the same thing.

#### State of Anbar

When asked about the nature of the front that saved the regime at the proper time from collapsing and changed the course of events, the answer is that the party caved in and so did the army. The only forces that fought were the Republican Guard, and the only region that defended the regime was the central part of the country, namely al-Anbar, whose capital is al-Ramadi and which includes Tikrit, the hometown of the president and most of the officials; and the neighboring villages that fall within its sphere.

A fair question that may come to mind is: Why only this area and why the Republican Guard and no one else? The answer is that this region is one of the areas on which the regime depended early on and which it used continually against the south, invoking the all too-familiar sectarianism. This region's inhabitants are Shi'ites, and this is the area where the most important and most cohesive and traditional bedouin tribes come together.

With regard to the Republican Guard itself, the great majority of its military personnel come from this region and from the bedouin tribes that have settled there. Consequently, this army—which is about half a million strong and was stationed in the southern regions and the areas separating the south from the central part of the country, far from the battle lines inside occupied Kuwaiti territory—perceived that, when things fell apart, it was defending itself and its people. Therefore, its fighting assumed a life-or-death quality, hence the great destruction and the death of tens of thousands.

Since most of this army come from the aforementioned region and from the bedouin tribes living in this area, the president issued a presidential decree right after the war to rehabilitate the tribal chieftains and to form a special council for them at the provincial and state level. This council was given broad powers that go beyond the ministerial level.

Accordingly, instructions have been issued to provincial leaders and party leaders in the provinces not to pass over the tribal chieftains, and to take into consideration their opinions, their objections, and their guidelines.

#### President's Friends

Perhaps the most important loyal circle, without exception, is the one known as the "president's friends." This circle comprises all those who have proven their loyalty to the president, including officers and party leaders who enjoy special privileges, and number in the tens of thousands, most of whom belong to various tribes. Iraqis say the "president's friends" can be identified by the type of car they drive, the kind of clothes they wear, and the kind of houses they live in. There is an exclusive waterfront neighborhood known as al-Qadisiyah, located south of the Tigris River and reserved for RCC members, ministers, and some friends of the president. Before a series of villas and imperial palaces were built there, this area used to be a garden where vegetables used to be grown and sold on the premises to neighboring areas and to the people frequenting the garden for recreation.

Living in this neighborhood, which witnessed the notorious incident in which the president's son, 'Uday, killed one of his guards, is a special privilege not afforded to just anyone. Therefore, those who lose their leadership positions lose their privilege to live there. As soon as Sa'dun Hammadi was removed from his party and government positions during the recent regional conference, he was kicked out of his residence in this area.

A former party member from Tikrit said the fight against the uprising was not limited to the Republican Guard, but included volunteers from al-Ramadi, Tikrit, and the neighboring tribes. These people fought under the slogan that the invasion from the south was targeted more against them than against the regime, and that they were defending themselves, their families, and their honor.

Stories making the rounds say that right after the war, and following the events in the south and the north, the

regime embarked upon organized campaigns aimed at convincing the people there to be Saddam Husayn's apostles, true friends, and companions—a call that seemed to be falling on deaf ears—and that a counter-call has emerged urging the inhabitants not to board a sinking ship and cautioning them that there will be a heavy price to pay if they did not come to their senses before it was too late.

#### The Opposition

But is there an opposition? Is there a noticeable organized action in Baghdad and other Iraqi cities against the regime?

With the exception of what is happening in the north and at certain focal points along the borders with Iran in the south, it is certain that the regime seems to have the situation under complete control and that opposition there is virtually non-existent. In this respect, Iraqis note that the south is the only region where a tangible opposition can be found—if we are to exclude the north, which is suffering a chronic crisis—with which this or any other regime is now able to coexist. The regime has exploited recent events in the south to uproot the opposition, which is mostly a religious opposition, and to kill and drive away most of its leaders and cadres.

People in the know say that liquidation included all those whose loyalty was suspect within the ruling party itself, and that—whereas the glaring example in this regard is Sa'dun Hamadi's dismissal from all posts and his absence from public life and perhaps from life in this world altogether—reports indicate that the number of party members has dropped from about 1.5 million to 130,000, and that weapons distributed to them in the past have been collected.

Accordingly, the prevailing view is that the opposition, if indeed there is internal opposition, lies within the regime itself, and that the bet, if indeed there is a bet, is on the army officers. That is why the Iraqis, whose hopes were dashed in the wake of the fierce and savage repression in the south, are now betting on "Proclamation No. 1" [the first proclamation issued by a new regime—FBIS], and Proclamation No. 1 can only come from within the regime.

While some people expect a long blockade to drive Saddam Husayn to despair and to compel him to relinquish power either through resignation or suicide, Iraqis close to their president believe this will be a very long shot, even if the blockade were to last 20 years. Thus, asked if the president would resign if the blockade dragged on, Iraqis answer by shrugging their shoulders and saying that no one should bet on something like this, for this man believes that divine providence brought him to where he is now and, therefore, he will fight until death even if he only has one inch of land left.

Obviously, the Iraqi president is aware that he is now much more vulnerable than ever before, and that is why his movements have become limited. Some reports say

that the only place where he meets people is at a Republican Guard camp, that the only people he trusts are his intimate friends and townsfolk, and that he does not spend a more than a night in one place.

Perhaps the one thing that is undermining the regime more than the opposition and the ambitious and covetous people within the party and the army, is the state of lawlessness. Gunshots can be heard in some neighborhoods all night long, and it is said that home burglaries and car thefts have increased considerably in recent months. Not a day passes without scores of such incidents occurring, coupled with murder and shooting.

Officials admit this new phenomenon of armed bandits committing thefts and burglaries at night has become rampant and is organized by Iran and Turkey, with a view to undermining the situation from within and driving Iraq toward continuous economic and social decline.

While officials accuse "foreign powers" of organizing the looting of cars that are taken to out-of-control areas in the north, to be moved from there to Iran and Turkey, they accuse these forces of overseeing the inflow of huge amounts of Iraqi and non-Iraqi counterfeit money. The circulation of counterfeit money is so rampant that competent authorities merely confiscate the amounts they receive without any further measures or investigations.

Reports making the rounds at cafes and public places say that the smuggling of gold, silver, and rare antiquities has reached phenomenal proportions in recent months, and that, in one instance, 150 kg of gold en route to Jordan were confiscated. This is in addition to the confiscation of ten million [as published] en route to the same destination the same day.

The truth is that the major phenomenon that arouses the Iraqis' resentment and pique is the fact that the president's family and relatives are still carrying on as though nothing had happened and as though such destruction and such decline had not occurred. For example, 'Uday has stuck his hand into most of the companies that have been turned over to the private sector, including first-class hotel and luxury cab companies now operating on the road to Jordan, not to mention the creation of a press establishment that puts out a number of publications, including the BABEL daily newspaper and the Ba'th party's sports magazine.

'Uday's intrusion extends beyond economic matters to continual interference in people's private lives, such as descending with his guards on restaurants and nightclubs and taking over any place he wishes by driving out people at will. The president's son is the current phenomenon in Baghdad, for he owns the most beautiful cars, drives in any direction he pleases, punishes anyone he wants, and rewards anyone he wants. It is rumored that not long ago he killed a prominent member of the well-known Jabbur clan.

### No Pluralism, No Partisanship

Contrary to what was rumored right after the war about the regime's intention to spread democracy and adopt the multi-party system within the bounds known as "the glass house partisanship," official measures and conduct suggest that the regime and the party plan to tighten their grip over everything. The BABEL newspaper, which is run by 'Uday Saddam Husayn, published an article on this, saying: "The time has come to put a stop to the venom of the so-called democracy. The great majority of the Iraqi people do not know what is good for them. The president and leader has to decide what is good for those who do not know where their interests lie."

Consequently, it is unlikely that Iraq will soon adopt the principles of pluralism and democracy. The most that could happen is to allow the establishment of parties in name only, and the creation of fronts in the all-too-familiar way. It must be pointed out that the ruling powers may have given people a chance to say what they want as long as their reactions are confined to revilement and criticism. The purpose, as some allege, is to give them a chance to vent their feelings and to keep abreast of the opposition's tendencies.

But what does the regime say about the blockade and about maintaining this blockade? One official literally said the blockade was basically linked to developments in the Middle East and that the Iraqi leadership is convinced that this blockade is aimed at crippling Iraq until a final solution to the Palestinian question is reached. This official and other Iraqi officials set forth the following hypotheses which, they say, will bring an end to the blockade sooner or later:

First, the Middle East peace conference will fail in its early stages, bringing an end to the anti-Iraq alliance and, consequently, an end to the blockade.

Second, foreign companies wishing to invest in Iraq's reconstruction will step up their pressure on the Western regimes and will ultimately break this blockade, establishing contacts and relations with Iraq and the Iraqis.

Third, the Western world, in light of its urgent need for more energy, with the advent of winter in particular, and in light of lower Soviet and North Sea production rates, will lift the blockade itself in view of its need for Iraqi oil, which can be pumped at a rate of 4 million barrels a day.

### JORDAN

#### MB Spokesman's Press Statement Opposing Conference

92AE0097B Amman AL-RIBAT in Arabic  
5 Nov 91 pp 5, 14

[Statement issued by Jordanian parliament representatives belonging to the Muslim Brotherhood (MB) in a press conference held by Representative Ahmad Qutaysh al-Azayidah on 30 October 1991]

[Text] We welcome you, brother journalists, and we wish you success in performing your difficult task and in conveying your honorable message at a time when mounting obstacles and difficulties are facing truthful speech, and many people and platforms have become annoyed with the other view.

We—and many in this beloved country are with us—strongly reproach brother media members who have made media rostrums the monopoly of a single opinion, especially in recent weeks, almost entirely disregarding the other view. We regard this as an undesirable setback in our country, which, as the world has seen in the past two years, is the only bright democratic spot in the sky of a nation whose current tribulation has been caused primarily by the absence of freedom of expression and by dictatorships that have led peoples away from the performance of their role and have concealed the truth from their peoples.

Let us remind members of the media that their duty to their country and nation requires them to faithfully and unbiasedly report the people's views and attitudes as they are, not as they wish them to be.

In this meeting, we would suggest to you, and to the people through you, that you study the position of the representatives of the Islamic movement (the Muslim Brotherhood [MB]) on the most important events occurring in the Jordanian, Arab, and international arenas.

### I. The Peace Conference

The Palestinian cause is at a sensitive, decisive stage that is the most dangerous in its history. The United States—by means of the worldwide hegemony and influence that it achieved after the Gulf war, and by means of the so-called new world order—is using all of its influence to exploit current international circumstances, Arab divisiveness, and the formation of axes by the Arab countries to eliminate the Palestinian problem, establish the groundless presence of the Zionist entity on the land of Palestine, and give it a free hand in controlling the region and its resources to pave the way for it to impose its control over the region and expand according to the Zionist dream of establishing the greater state of Israel.

Jewish policy has always sought to exploit Arab weakness to achieve as many gains as possible. Therefore, it accepted negotiations with the Arab side when that side is in its weakest state, after having emerged tattered and gaunt from the recent Gulf crisis.

Although we lack a complete picture of the nature of the conference, it nonetheless seems that substantive issues or subject matter will not be discussed. Rather, the discussions will focus on procedural issues concerning sitting down at the negotiating table and recognizing the Jews's right to a presence in the land of Palestine in a secure state. Thus, the proposed peace conference is tantamount to a fitting cover for direct negotiations, under American auspices, between the Zionist entity and the Arab countries, including the Palestinians as an

annex to the Jordanian delegation. In addition, this conference has neither the authority nor a mandate to make decisions or impose decisions, all of which is left to direct negotiations.

### Dangers of Conference

The settlement process over which America—the primary enemy of the Arab and Islamic nation—is presiding entails major dangers that affect the different countries of the Arab nation and current and future generations. Faithful membership [in the Arab and Islamic nation] requires us to be aware of these dangers, which are:

1. Normalization: This means the removal of the political, cultural, and economic barriers that have prevented Jewish penetration of Arab society, and the breaking down of psychological barriers linked to creed, Arabism, and a distinctive culture. Normalization also means an attempt to dry up the wellsprings of anger, revenge, and holy war [jihad] against world Jewry and thus penetrate the Arab, Muslim citizen's psyche, which has been shaped by generations and decades of conflict. This is international Zionism's greatest dream.
2. A change in the nation's cultural identity: Because the normalization process requires interference in educational curricula, and informational and cultural programs to remove everything that conflicts with Jewish culture, such removal would necessarily mean the removal of the Islamic creed and the patriotic outlook from different cultural media, and the formulation of a new cultural identity for the nation in keeping with this new spirit.
3. The end of the economic boycott: This would mean opening Arab markets to Israeli goods and opening the field for Jewish banks to move into the Arab world. If this occurs, the Jewish economy would flourish at the expense of Arab consumption and Arab [development to overcome] backwardness. In addition, the Jews would benefit from cheap Arab labor. This would lead to the Arabs' continued industrial lagging, in exchange for the industrial progress and flourishing of the Jews.
4. The cessation of the intifadah: This would aim to ensure stability within the Zionist entity, so that the Jewish army could be freed up for other missions. Immigration [to Israel] would increase due to the absence of the fear and alarm caused by the intifadah on the Jewish scene and among emigres.
5. The internal defeat of the nation: As a result of a contractual concession to the Jews of an Arab and Islamic right, the Arab nation will feel frustrated. The spirit of defeat and surrender will deepen within it. What if Jerusalem is conceded? Is there any Arab city dearer than it? Perhaps the concession of axioms is the start of the countdown to cultural collapse and psychological defeat.

6. Palestinian and Arab recognition of the legitimacy of the presence of Jews in the land of Palestine, without any real gain [in return], within the framework of Camp David: Such recognition was considered a betrayal years ago, even by Arab leaders. However, it has been put forward at the current settlement conference. This recognition will constrain future generations because it will prevent them from making demands. If they do so, they will be charged with deviating from international legitimacy.

7. Arab-Islamic disarmament: If there is no justification for the Arabs to possess weapons after the conflict is settled, America, under direct Israeli supervision, will begin to destroy Iraq's weapons and inspect every weapon which the Arabs and Muslims may one day use against the usurper Jews.

8. The demobilization of the Arab armies, or the continuation of the Arab armies in a symbolic form without weapons: If this occurs, the Arab countries will become prey to every coveter and occupier, and the doors will be opened to Zionist and colonialist expansion.

9. The dividing up of water, oil, and all energy resources in the region: The Jews have every justification and the scientific, material, and technological capabilities to do this.

10. Moral corruption, the destruction of the nation's civilization and culture: The different Jewish agencies will engage in this destruction, based on their method for corrupting Europe. They will undermine and fragment Arab and Islamic societies by exploiting regionalism, sectarianism, tribalism, and provincialism to ensure their control over different cultural institutions.

11. The end of all attempts to achieve Arab political, economic, and social unification.

12. The thwarting of all liberation or self-liberation movements, and an attempt to suppress Muslim youths and the Islamic awakening in particular: They will do so, because they know that Islam is the bastion of opposition to their plans at all levels.

13. The disturbance of the demographic balance in Palestine as the result of large-scale Jewish immigration, inasmuch as the Jews plan to absorb half of the Jews of the world in Palestine before 1995: This will lead to Jewish numerical superiority in Palestine and forced emigration to empty the occupied land of its legitimate owners.

In brief, the enormous cost, which the entire nation will pay in this generation and perhaps in coming generations, is extremely oppressive. It is much greater than the sufferings being faced by Arabs under Jewish occupation, sufferings which the delegates to the conference think that they will eliminate.

We call upon every zealous son of this nation to reflect deeply upon these dangers and to resist them, and to fortify the nation against attempts at Zionist penetration and normalization. It is the duty of educators, political and social leaders, and members of the media to defend

the nation's cultural, historical, and psychological strongholds, so that the firebrand of enmity toward the occupiers and their helpers remains, and so that the desire and determination to liberate the land and avenge the criminals remains in each zealous heart.

#### Alternatives

Unfortunately, while some voices are ringing out in the name of realism and comprehension of this stage, at the same time, forces that reject settlement and surrender are being accused of imagination and idealism, and they are being asked to either put forward an alternate, satisfactory solution, or to remain quiet, surrender to the fait accompli, and be thrown into the embrace of American hegemony.

However, we, too, live in reality in all of its dimensions. We are aware of the circumstances surrounding us. We see with our own eyes the reality of Arab disintegration. We know that we have lost our material, and even psychological, weapons. We see the collapse of the Eastern camp and America and Zionism emerging as the single power throughout the entire world. Nonetheless, our understanding of the problem is based on fundamental axioms. In our view, the problem concerns creed, and it brooks no concession, because Palestine is the land of Muhammad's midnight journey to the seven heavens. It is an Arab, Islamic land which cannot be split into two lands. The struggle with the Jews is a struggle for existence, not borders.

Although the nation's current condition does not enable us to choose liberation by military means, this condition nonetheless does not justify surrender to the hostile plan. Rather, that plan must be rejected, and efforts must be made to:

1. Prepare the nation for a crucial, decisive battle. The Jews are employing all of their capabilities in preparing for this battle, while all of our efforts are directed at the peace conference and the elimination of any thinking that is incompatible with the peace conference.
2. Support the armed forces, develop our weapons, train in using them, improve the conditions of commissioned [members of the armed forces], and provide for a popular army to train all sons of the people in preparation for this crucial battle.
3. Revitalize Arab solidarity. Forces hostile to the nation have been able to destroy Arab solidarity. The problem cannot be solved by the regional method, which America is attempting to consolidate after the Gulf war. Rather, a solution is to be found at the [Arab] national and Islamic level.
4. Support the heroic Palestinian intifadah and the resistance of the Palestinian people on its land, and provide material assistance to the intifadah to ensure its steadfast opposition to the Zionist enemy, and to ensure that the people of the intifadah remain steadfast on their land in the face of the enticements to emigrate, which some Western countries are offering them. It is truly sad that the peace conference and settlement attempts are

the result, or reward, being offered by Arab organizations—including the PLO—to the people of the intifadah, who, during these years, have given thousands of martyrs, tens of thousands of wounded, and hundreds of thousands who have been enveloped in the darkness of the occupation's prisons.

5. Continue the boycott against the Zionist enemy. In a spirit of hostility toward the Jews, the Zionist enemy must not be enabled to break this psychological barrier. They must not be allowed to exploit Arab markets. Otherwise, the Arab region will become a consumer market for Israeli products, which would be tantamount to an economic expansion, in addition to the political expansion which the Jews have achieved.

Finally, we maintain that peoples have always had the final say regarding threats to their present and future. If the Arab organizations fear America's anger and retaliation if those organizations say "no" to it, those peoples which have lost their land, holy places, and honor have nothing to fear. The nation is called upon to bear its full responsibilities vis-a-vis the conspiracy, whose threads America has interwoven skillfully to settle the Palestinian problem as a first, phased step on the road to achieving the dream of a greater Israel, which the Zionist entity has been attempting to achieve by asking hundreds of thousands of Jewish immigrants to come.

## II. America's Continuing Crimes Against Iraq

The United States is still keen on its policies aimed at destroying Iraq's weapons to satisfy the American administration's deeply-rooted desire for revenge and destruction, to reinforce its sense of victory so as to enhance its image before the American people, to erase from American memory the defeat of Vietnam, to crush the will of the Iraqi people and the Arab and Islamic nations, and to eliminate any power that can threaten the Jewish entity, so that the Zionist aggression state alone possesses power in the region based on resolutions issued by international organizations that are pawns of the White House.

In addition, the criminal plan to blockade Iraq and kill its children, elderly, and women is continuing. It is extremely unfortunate that countries and governments which call themselves Arab and Islamic are participating in this unjust blockade on the pretext of complying with international legitimacy. Moreover, the zealous are made miserable by the fact that governments and countries that used to call themselves the first enemy of American "imperialism" and its great Satan are participating in the unjust economic blockade imposed on the Arab, Muslim warrior people of Iraq.

If we declare our anger and strongest disapproval of the squalid role played by the United Nations in precisely implementing the American will against our people and our brothers in Iraq, let us also disapprove most strongly of the Arab silence and dishonorable weakness regarding what is happening to Iraq.

We call on governments, peoples, political forces, and Islamic groups in particular, to raise their voices in disapproval of this unjust campaign to blockade Iraq, starve it, destroy its weapons, and pursue its scientists. Peoples are duty-bound not to forget this reprehensible crime, and they must prepare to avenge the criminal forces that planned and implemented that unjust war and the conspiracies that followed the war to destroy Iraq and tear apart the Arab and Islamic nation.

## III. General Freedoms

Since parliamentary elections were held two years ago, our precious country has witnessed good, solid development in the area of freedoms and basic rights for citizens. This positive development is represented in: the return to work of hundreds of persons who had been dismissed from their jobs or prevented from working for political reasons; the release of thousands of passports which had been impounded; the granting to citizens of the right to move and travel; the security agencies' cessation of their interference in appointments and in elections in clubs, associations, and unions; the release of political detainees; and the pardoning of a number of sentenced persons. Also, monitoring carried out by the General Freedoms Committee of the conditions of persons arrested by General Intelligence during the approximately 18 months following parliamentary elections shows that arrested persons have been treated well and have rarely complained of torture or mistreatment during this period.

We had hoped and striven for the continuation and deepening of this course, because that would have firmly established the course of true freedoms, deepened trust between citizens and executive agencies, preserved national unity, and mobilized all efforts and energies to face the burdens and challenges of the day.

However, unfortunately, this course did not continue. It saw a setback that we neither desire nor accept. That setback is represented in extensive arrests, police raids, and the subjection of arrested persons to torture in many cases. It is also represented in the resumption of interference by the security apparatuses in appointments in many offices and organizations and in the activities of associations and clubs. Other outward signs of the setback dealt to progress regarding freedoms include: the prohibition of holding ceremonies, festivals, and political activities of a purely peaceful nature; the prohibition of publication of the dissenting view by newspapers and the media, and the seizure of several newspapers.

## Demands

Hence, in this regard, we call for the following:

- The conclusive cancellation of martial law after the implementation of the necessary legislation for that purpose.
- The immediate release of all political prisoners who have not been referred to the pertinent courts.

- The promulgation of the State Security Court Law approved by the National Assembly in its last emergency session, and the reformation of the State Security Court based on that law.
- The cessation of illegal practices regarding arrested persons, and the provision of an opportunity to the Freedoms Committee to visit them and examine their conditions on an ongoing basis.
- The conclusive cancellation of administrative detention.
- The cessation of interference by security apparatuses in employment, foreign study missions, clubs, and associations.
- The expression of the dissenting view in the media.

In conclusion, we hope to make clear that the parliament has played a major role recently in confronting the challenges faced by the nation and the homeland. Its role has been prominent and visible in the domestic, Arab, and international arenas. The parliament has helped depict a resplendent picture of Jordan.

Unfortunately, voices have been raised here and there to harm this parliament, distort the image of representatives, accuse them, and attempt to prevent them from representing the people faithfully and expressing the people's view on the challenges facing the nation and homeland. We are certain that this assembly will continue to carry out its mission despite all attempts to impede and distort it.

We hope that members of the press (those to whom the House of Representatives wishes to provide an atmosphere of freedom), in particular, will help to make the people aware of the truth, not distort and obscure it.

#### **Article Quotes Historical Figures on Jewish Crimes**

92AE0097A Amman AL-RIBAT in Arabic 29 Oct 91 p 5

[Article prepared by Abu-al-Nur]

[Text] A leader of American independence, Benjamin Franklin, stated the following in a speech when the American constitution was being formulated in 1789:

"A great danger threatens the United States, and that great danger is the Jews."

"Gentlemen, in every land where Jews have taken up residence, they have eroded its moral level and have corrupted its commercial conscience. They continue to be isolated and do not mix with others. Persecution has now led them to seek to choke peoples, as is the case in Portugal and Spain."

"If they are not banished from the United States by its constitution, they will flood into the United States within 100 years until they are able to control and destroy our people, and to change the form of government for which we have given our blood and sacrificed our lives, property, and individual freedoms."

"I warn you gentlemen, if you do not banish the Jews conclusively, they will oppress your children and grandchildren. The Jews will not adopt our ideal, even if they live among us for ten generations. The leopard cannot change its spots."

"The Jews are a danger to these lands. If they are permitted freedom to enter, they will destroy our institutions. Therefore, they must be banished by a constitutional provision."

Oscar Levi, 100 years after Napoleon's death: "We, the camp of the Jews, created the world war. We, the Jews, are nothing but the burners, arsonists, and killers of the world. Our revolution has not ended yet. We have created the legend of the chosen people."

Ernest Renan stated: "The Jews are not concerned with the fate of the country in which they live."

Bernard Lazar, a Jew, in his book, "Anti-Semitism," writes: "The Jews hate the spirit of the nations under whose protection they live."

On 30 May 1806, Napoleon invited the Jews of France and Italy to the Paris Conference. In March 1808, he stated that he would not follow the advice of the Masons, who are subject to the Jews' control. Napoleon then harshly enumerated to the imperial council the Jews' ugly crimes.

Napoleon stated: "We must not view the Jews as a privileged element, but as strangers. It would be pure degradation for us if we are ruled by them, because they are the most degraded people on earth."

Jesus, peace be upon him, said: "You Jews are the children of the devil, and you carry out his wishes"; "Since the days of Moses, the Jews have been oppressors or plotters"; and "The Jews are devils, murderers, and liars."

King Louis IX of France stated: "The best [method of] argument with the Jews is to implant your dagger in his stomach."

A leader of American independence and a formulator of the American constitution, Benjamin Franklin, stated the following in a speech in 1989 [as published]: "A great danger threatens the United States, and that great danger is the Jews."

Nietzsche, the Jewish scholar, said: "The fate of the Jews will be a spectacle which humanity will be called upon to witness in the next century (20th)."

The empress of Austria, Maria Teresa, said in 1777: "I know of no epidemic more disruptive to a state than a people which actively imports blood and poverty for the people by means of exorbitant interest and financial contracts, and which practices all types of evil and disgraceful acts, making them hated by any honorable person."

## LEBANON

### Businessman Fu'ad Thabit on Reconstruction

92AE0117A London AL-HAWADITH in Arabic 22 Nov 91 p 43

[Article: "Fu'ad Thabit Expounds His Ideas for Rebuilding Lebanon, 'Let Us Unleash Economy in Manner of Milton Friedman'" ]

[Text] Fu'ad Thabit said, "The words 'reconstruction' and 'rebuilding' recur, as they should, in the second republic address about the new Lebanon; yet we find no trace of educating the citizen, no method to teach him the principles of a sense of national identity."

Fu'ad Thabit said this as part of an interview with AL-HAWADITH in which he concentrated on three main elements he thinks must be applied in the reconstruction process. Fu'ad Thabit, who heads the company "Fu'ad Thabit and Associates," is a well-known Beirut businessman and international marketing consultant. The following article contains the most important ideas raised in the conversation and concentrates on the most important measures he proposed. He believes that if they were applied, the faltering process of revitalizing the Lebanese economy would become easy and its ills would receive thorough treatment.

Thabit says that "erroneous concepts, unfortunately, lead to certain death. The last 16 years are conclusive proof of the truth of this proposition. Based on the above, the process of rebuilding Lebanon depends on three main factors:

1. There must be renewed dedication to educating Lebanese citizens. They must fully understand that they belong to a state whose basis is the people, not religion.
2. We must no longer consider the Lebanese diaspora merely a cow to be milked, but an effective and inseparable part of the state.
3. There should be bold reforms of the tariff and tax systems. Two other things that must not be neglected or circumvented are youth and the rest of the Lebanese people. Many hopes are tied to these two things."

Thabit went on to say: "If we set aside external causes involving regional and international politics, we see that our troubles stem basically from the impotence of successive governments that failed to create a Lebanese citizen in the full sense of the word. Then came the war, whatever its causes, and it totally, or almost totally, destroyed the cohesion of the different peoples who once resolved to live together in an atmosphere of mutual respect.

"But there is a remedy for every ill. The school, the university, and the army are the only cure for this abnormal condition. In general, education is the remedy. Aren't young people tomorrow's leaven?

"Citizens do not join the ranks of the army to honor a class of people or some sect, but out of their belief in the need for honest, sincere work to serve the country and citizens. They join so that they can be ready and able to amend everything that can be amended in order to defend the nation's honor and territory. These citizens who rally under the army's banner will be the good leaven needed to prepare an alert generation of young people who understand their duty and care for their country. They understand the extent of the dangers to which they are exposed; yet they willingly accept the responsibilities assigned to them and all the actions and sacrifices asked of them.

"The army institution that harbors such young people works constantly to educate them and indoctrinate them to be an instrument able to serve citizens and the country. The army thereby protects them from the ideological deviations that have claimed victims indiscriminately from all sects. However, during our recent 16 years of crossing a desert, we have seen talented and capable young people leaving the country for France, Canada, the United States, and Australia."

Fu'ad Thabit corrected himself. "Let us ponder," he said, "even against logic. What would the 200,000 young people who chose emigration have done if this filthy war had not taken place? Might they not have emigrated regardless? Emigration has been Lebanon's destiny for centuries. Perhaps it would have been at a lower rate. On the threshold of the 21st century, emigration is no longer the same, given the amazing development of means of transportation and communication that have nullified distances and time.

"Why don't we solve the problem indirectly? We should profit from the emigrants—not through the despicable traditional methods that call for pumping money from those who number thrice the population of Lebanon; rather, we should encourage the formation of bodies with no more than three members in each city of the countries where the overseas community is sizeable. These bodies would organize and participate in ongoing courses under the slogan 'Know Lebanon,' using outstanding intermediaries through lectures, films, and magazines. These bodies would be composed mainly of young people equal in number to the host cities. These young people would dispatch the experience they acquire back to the mother country. They would join action with words by returning to the country in shifts, one after the other. In other words, they would create a two-way flow between the host country and the country of their forefathers."

Fu'ad Thabit prescribes the following treatment for Lebanon's economic problem:

"As for the economic problem, despite the apparent contradiction, Lebanon involuntarily benefitted during the recent war years from a technique dear to the heart of Milton Friedman, President Reagan's former economic consultant and winner of the 1976 Nobel prize in economics.

"One can summarize this technique as: Freedom is the best means of turning one's special characteristics to advantage. Milton took his inspiration in this from a 19th-century thinker, Adam Smith, who discussed a similar subject in his book, "The Wealth of Nations." In accordance with this principle, whereby the state plays the role of an alert arbitrator, and given the end of the war, Lebanon can wait for an opportunity to put its economy on track, provided it implements this freedom—and not chaos—that forms the basic support for political freedom. This is no idle matter, for freedom of the first sort prevents the growth of economic dictatorships. When freedom of exchange between groups is sanctioned, there is a common interest that forms an A-B-C of prosperity and affluence.

"Although the war spawned disasters and poverty, on the other hand, because of the collapse of government formalities and lack of official economic oversight (duties, taxes, and protectorates at all levels) it allowed for the growth of a prosperity that, although chaotic and inappropriate, was, in effect, prosperity.

"Thinking along these lines, despite the French saying that 'analogy is not truth,' isn't the example of Hong Kong an ideal example? This Chinese island, which remains free and exempt from customs restrictions, unrestricted by any government orientation, free from income taxes and from any labor law—inasmuch as free competition leads to lower prices, this island enjoys the highest standard of living in Asia, without this being the result of freedoms.

"On another level, although all national industry deserves protection from the state, this protection will not be effective unless it is limited in time. In Lebanon, however, only this kind of protection lasts, such as all the supported prices imposed during half a century (bread, fuels, sugar products). Over the long run, especially in times of crisis, state protection in this area becomes exploitation of the consumer, especially if the government makes the mistake of guaranteeing the continuance of such support. As regards customs duties, they are a two-edged sword. An increase in their revenues can lead to replenishing the treasury. On the other hand, they certainly lead to a burden on the citizen's budget. The current insane rise in prices is tangible proof of this.

"So why aren't these worries that, in the short and long run, could lead to social shocks treated by relying on a bolder system of levying and collecting duties and taxes?

"I do not want to offend anyone, but how did the militias—whatever side they belonged to—amass their enormous wealth? It was done by levying *khuwwahs* [protection money] in all fields, at different levels on all activities. Where should we look to find a more convincing experiment? Why doesn't the government discard the old, worn-out methods and establish a value-added tax to be levied on everything that moves? We shall then pay attention to everything from the shirt button to the Mercedes.

"This means living in a free administration in a state that does not have to do the impossible to look for money when there is the *khuwwah*. We must understand that the preceding is proposed haphazardly and requires studies and evaluations before being applied on the ground. As regards the industrial sector, in order to encourage the return of capital and facilitate foreign investments, why the procrastination and why haven't laws been passed to exempt it from taxes for the first ten years?

"In effect, when a system becomes decrepit, it should be dislodged from the old ways and straightened out again by various means. In 1937 and 1938, Lebanon made use for this purpose of Dr. H. Schacht, the renowned architect of the economic wonders of the Third Reich. Why, in 1991, when conditions have changed and become more critical, do we not invite Milton Friedman himself to Lebanon, to learn his ideas about relevant, not haphazard, ways to unleash the Lebanese economy again?

"It is not demeaning to ask advice. The fervent hope of citizens is that these words, which are nothing but modest proposals, will not fall on the deaf ears—those of the government."

#### Ratification of Law on Bank Mergers Expected

*92AE0117B London AL-SHARQ AL-AWSAT in Arabic  
7 Dec 91 p 11*

[Article by Rashid Hasan: "Lebanon Central Bank Implements Carrot-and-Stick Policy To Clean Up Banking Situation and Encourage Bank Mergers"]

[Text] Lebanese banking sources predict that the Lebanese parliament will soon approve a bill to facilitate bank mergers. The law, which was the product of lengthy discussion between the Central Bank of Lebanon and the Association of Lebanese Banks, is expected to contain a series of incentives and encouragements designed to induce many small or weak banks to accept purchase by existing large banks. Some time ago, Lebanese authorities issued the "bank clean-up law," which defines the cases in which the state is allowed to take over and liquidate banks. This law was issued in 1966, after the collapse of Intrabank.

To these steps and proposed laws must be added a series of measures recently taken by the Central Bank of Lebanon. These aim at reestablishing Central Bank control over the banking situation following the end of emergency conditions caused by over 15 years of wars and disturbances.

For a period of two years, i.e., until the end of 1993, the "bank clean-up law" gives Lebanese financial authorities the right to take over any bank in Lebanon that they deem "unable to last." In such cases, the Central Bank issues a decree transferring the bank in question to a special court. The court then issues a judgment liquidating the bank within 20 days from the date of transfer.

Informed banking sources have told AL-SHARQ AL-AWSAT that the Lebanese Government is adopting a carrot-and-stick policy in its attempt to induce Lebanese banks to get their affairs in order. On the one hand, the government is waving incentives; on the other hand, it is brandishing the stick of bank take-overs.

However, Lebanese bankers said that the government faces important political realities in its attempts to induce many banks to accept extinction—realities involving connections between these banks and political figures influential in the Lebanese equation. This may limit the effectiveness of the stick, and the proffered carrot may be insufficient to entice the banks to liquidate themselves voluntarily.

A senior banker, who refused to give his name, said that the subject of mergers may not lead to speedy results. It would be better for the Lebanese Government to concentrate its efforts on remedying the weakness of the capital base and improving Lebanese banks' liquidity ratios, especially foreign liquidity.

This matter recently became a source of concern for financial authorities when they discovered that there are more than 33 Lebanese banks whose dollar loan ratios exceed 60 percent of their American currency deposits. The dollar loan ratios of a considerable number of these banks exceed 90 percent, and sometimes 100 percent of their deposits in this currency.

Accordingly, the Central Bank of Lebanon recently issued a directive that banks' foreign-currency loans should not exceed 55 percent of their deposits in the currencies. The Bank of Lebanon gave banks with an excess of such loans a grace period ending in mid-September 1992.

Banking sources say that the ratio of 55 percent set by the Central Bank may be insufficient and should be lowered to 30 percent, or a maximum of 35 percent, given the fact that the Central Bank of Lebanon is unable to supply banks with foreign liquidity in the event of a bank crisis and a rush on foreign-currency deposits.

However, responsible sources in the Central Bank told AL-SHARQ AL-AWSAT that they expect a number of Lebanese banks to be unable to achieve the announced liquidity ratio in the currencies, because some of them may be unable to collect the loans they have granted in dollars soon enough.

Furthermore, the Central Bank recently issued a new directive also aimed at strengthening bank capitalization. It mandated that every bank allocate 1 billion

Lebanese pounds (about \$1.15 million) per headquarters and about 100 million pounds (about \$115,000) as supplementary capital for any new branch it opens. The directive allowed banks to pay in installments the capital allocations required for headquarters and branches existing before the issuance of the directive, according to a definite schedule.

Bank of Lebanon sources say that these steps will increase pressure on weakly capitalized banks, even if they do not represent an alternative to a real increase in capital. A delegation of International Monetary Fund experts is expected to visit Lebanon soon to discuss the situation in detail and guide Lebanese authorities on it.

However, increasing the capitalization of Lebanese banks still faces a disagreement between the Bank Association and the governor of the Bank of Lebanon, Michel al-Khuri, regarding evaluating the banks' fixed assets. As everyone knows, the Bank of Lebanon still requires that fixed assets, including real estate, be recorded at their book value in Lebanese pounds based on the exchange rates that prevailed before the Lebanese pound collapsed from about 2.5 pounds to the dollar, to the present rate of about 880 pounds to the dollar. In practice, this situation has led to the disappearance of the share of fixed assets in computing the funds belonging to Lebanon's banks. Some banks, for example, have real estate currently valued at \$30 million, but recorded at a book value no higher than \$50,000.

Banking sources say that the governor of the Bank of Lebanon, Michel al-Khuri, espouses the Swiss position, which prefers to keep any appreciation in the value of fixed assets as a hidden reserve and therefore to increase capital by infusing new money. However, the Bank of Lebanon, which knows the limited ability of Lebanese banks to do this, in the end may accept a settlement proposed by the Bank Association. This would mandate that banks infuse cash funds equal to the value of the appreciation resulting from the revaluation of real estate assets.

It remains to be said that these attempts by Lebanese financial authorities to clean up the banking situation are taking place at a time when certain major Arab and international banks are increasingly interested in returning and acquiring a position in the Beirut market in preparation for the reconstruction period and Lebanon's possible return to playing a pivotal role in commercial and financial movement in the region.

#### Tuitions, Rental Law, Port Worker Demands Discussed

92A50055A London AL-HAYAH in Arabic 8 Oct 91  
page no. unknown

[Text] Beirut—Tuitions, the Rental Law, and workers' demands are urgent, pressing problems not to be surpassed in importance by other matters, especially since they are being accompanied by signs of a general strike.

Tuitions remain high, decisions to freeze tuitions have yet to be implemented, and a meeting yesterday of the tuitions committee failed to achieve results.

Education Minister Butrus Harb chaired a meeting of the committee to study tuitions and define the main elements for determining monthly tuition increases. The head of the General Labor Union, Antoine Bisharah, who participated in the meeting, indicated that the committee "did not reach any final, conclusive decision regarding tuitions at private schools," and he focused on a "clash of viewpoints." He stated: "An agreement was reached to meet three times per week to create a unified viewpoint. A clear result can be obtained within a month."

Bisharah called on students' guardians to inform the Labor Union of the payment of any installment, except installments paid last year. He stated that the "union is predisposed to auditing the Education Ministry regarding these matters." He rejected calling the paid installments an advance, "because the union rejects an increase, in principle." He stated "that what has been paid will be to the debit of tuition.

#### **University Professors**

In another development, Minister Harb met with a delegation of the University Professors' Action Organization to review the professors' unsettled demands. He informed the delegation that "these demands are still on the agenda of the next cabinet session."

Regarding the pricing of school books, the pertinent committee convened under the chairmanship of Economy Ministry General Director Emile Jabbarah. After the meeting, Jabbarah stated: "It has been decided to control the sale of all books. Within 10 days, we will ask publishers to provide the committee with price lists for books for academic years 1989-1990 and 1990-1991, and to attach to these lists a copy of each book, along with a statement containing the publishing house's name and address and the name of the person in charge of it."

He added that "it has been decided to adjure publishers and bookstore owners to take into account the circumstances of students' guardians and the improvement in the exchange rate of the Lebanese pound that has occurred since last year. It has become clear to the committee that school books are imported based on price lists determined by their country of origin. Hence, we cannot price school books." He indicated that "the profits obtained from the sale of school books are precisely calculated."

In another educational development, official primary schools began their academic year yesterday amid a 20-percent increase in registration in the absence of new developments in official education [to accommodate the increase].

#### **Rental Law**

The new Rental Law bill has yet to be sent to the Chamber of Deputies. Informed sources have expressed fear that it will be passed without being given the study that it deserves to circumvent a popular campaign against it.

It has been mentioned frequently that Justice Minister Khatchig Babikian continues to retain the new bill because he has been tasked by the cabinet to reformulate it, taking into account changes that have been incorporated within it. Union sources fear that Minister Babikian "has referred the bill to the prime minister to pave the way for smuggling it into the Chamber of Deputies without clearing the way for public opinion to examine it." Offices of the Chamber of Deputies have reported that they have yet to receive a draft law of an urgent nature from the prime minister.

In this context, a meeting of syndicate, political, and popular elements was held yesterday afternoon at the headquarters of the National Federation of Unions at the invitation of the Committee for the Defense of Tenants. It was attended by representatives of parties, unions, and labor organizations, who discussed ways to counter the bill.

#### **Labor Demands**

Regarding the demands of Beirut Port workers, the Minister of State for Transport Affairs, Shawqi Fakhuri, stated that "the demands have been studied and some of them have been agreed to, while others are still under study." He indicated that he discussed the issue with Mr. Antoine Bisharah "with the understanding that a detailed discussion would take place during the meeting (yesterday)." Fakhuri spoke of the "positive atmosphere," saying that "the demands still under study concern the general, administrative situation, whose shape will be decided during closed-door ministerial sessions."

After that, a meeting was held yesterday afternoon between Minister Fakhuri and a representative of the Beirut Port workers, under Bisharah's chairmanship, to discuss the demands that have been submitted. Bisharah stated that "the port workers will immediately commence an open strike if the meeting does not produce positive results." He indicated that "the workers' demands are not new, but were deferred because of events and the closure of the ports. The port is more profitable now, and these demands must be met, especially the guarantee of hospitalization and job reinstatement, which are contained in the collective labor agreement reached with the previous Port Administration."

He added: "There are 18 demands. Most of them concern social services, including, in particular, the transportation allowance and the implementation of previous decisions that the new administration is attempting to evade." He considers the "basic struggle of today to be a

struggle for freedoms," and he disclosed that "the workers received a threat intended to dissuade them from striking."

Following the meeting, the Employees' Union and the Workers' Union at the port decided to announce a general open strike starting after tomorrow, Thursday, and to make provisions for open meetings to follow developments.

In a communique that was issued, employees and workers were asked to stay at home during the strike to avoid any friction generated by some people who have scheming intentions.

## MOROCCO

### Daily Warns Against U.S. Intervention in Libya

92AF0186B Casablanca *AL BAYANE* in French  
21 Nov 91 p 1

[Editorial: "Condemned Without Trial?"]

[Text] The Arab peoples of the Gulf, the Maghreb and the Machreq are profoundly disturbed and justifiably agitated to see Libya put on the international blacklist.

Granted, many Arabs are neither surprised nor shocked at these allegations—some of which seem very detailed and documented—brought against important members of Libya's secret service who allegedly were directly involved in the murderous attacks against the Pan Am Boeing and the UTA DC-10.

Not shocked or surprised, because covert action is as cruel as it is immoral: How can one exclude, a priori, the possibility that powerful cliques in Libya wanted to avenge the innocent victims of the massive and murderous nighttime bombing raid that Mr. Reagan and Mrs. Thatcher ordered against Tripoli and Benghazi in April 1986? How can we summarily dismiss the possibility that certain embittered people in control of the Libyan "secret police" machinery chose to make France "pay" for Tripoli's military setbacks in Chad?

These are real possibilities: By announcing last Monday that a judicial investigation had been initiated to determine the guilt or innocence of two of its secret service officials, Libya itself was admitting that the American and French accusations could not be shrugged off or casually refuted.

But by what right—and for what reason—do Washington and Paris (which say they "do not exclude any form of reprisal") arrogate to themselves the right to execute a sentence, which the ad hoc judicial authorities have yet to pronounce?

Accusation and guilt are two different things: The machinery of justice must first establish the facts and the identity of the authors of the crimes.

The peoples in the Arab countries—who have no reason to harbor illusions about the motives of the West—are asking themselves questions. They cannot ignore the precedent of Iraq, and some in the West, sadly enough, have not given up the old dream of crushing the Arab world and bringing to heel, BY FORCE, all those who envision a different destiny for the Arabs. [sentence as published]

Are the people wrong to suspect an anti-Arab "conspiracy," one which is currently taking aim at Libya? At the very least, they are disturbed by the Americans' eagerness to consider a resort to force. Because they know it is not very difficult to move from accusation to a hasty judgment that provides the pretext for aggression.

But Washington and Paris—among others—should think twice. If the invasion of Kuwait, which was unacceptable, divided the Arab world, a military attack against Libya could reunite it instantly! Even more, such a move—a perfect illustration of the doctrine that right makes might, as opposed to the precepts of international law—would sign the death warrant of the current diplomatic process aimed at bringing peace to the countries of the Near East.

Because if the military option were unfortunately to be adopted, the Arab countries could not fail to regroup, unite and react against the West's aggression (the real beneficiary of which is no secret).

Tripoli, which is not Baghdad, has expressed its sincere interest in bringing the facts of the matter to light, whoever may turn out to be responsible. That gives all of us the right—from Morocco to Saudi Arabia, and including Algeria, Egypt and Syria—to proclaim our solidarity with the Libyan people and reject any military attack against this fraternal country.

### PPS Daily Defends Libya Against U.S. Charges

92AF0186A Casablanca *AL BAYANE* in French  
19 Nov 91 p 1

[Editorial: "What Is the United States Seeking?"]

[Text] Last Thursday the United States publicly "accused" Libya of involvement in the 21 December 1988 terrorist attack that destroyed a Pan Am Boeing jet over Lockerbie (Scotland) killing 270 people.

Since then, tensions have mounted sharply. American officials have issued more and more "threats" against the Jamahiriya and refused to rule out any "options," while laying the political groundwork by holding preliminary consultations with their allies. It seems another "international coalition" is being assembled!

Libya has reacted by issuing a categorical and formal denial of such "accusations," which it terms allegations. It has called for international arbitration and the creation of neutral international commissions to investigate

the American "accusations." The International Court of Justice [ICJ] at the Hague is the appropriate forum for such matters.

What we have here are two very different attitudes, modes of behavior, and conceptual approaches to international relations and resolution of the kinds of disputes and quarrels that can break out at any time.

We believe the position adopted by Libya is justified, since in referring the matter to the ICJ in the Hague it is showing respect for international law. By contrast, the position of the United States and certain of its "allies," starting with Great Britain, amounts to a rejection of law. The Americans make no attempt to disguise this: "When we are ready to say what we will do, we will say it clearly and we will do it." Such arrogance and contempt for the principles of international conduct!

In combatting "terrorism," one must not resort to state terrorism, which is even more reprehensible. The sovereignty of states, whatever their size, should be scrupulously respected; it must not be crushed. The United States, which styles itself the "guardian of peace," should set the right example!

There are more civilized procedures for resolving differences than resorting to violence and barbarism. That is the purpose of international law.

Also, the United States (and the countries following its lead!) must realize that by proffering "threats of reprisal" against our Libyan sister, they are really threatening all the Arab peoples of the Atlantic and the Gulf. Because, contrary to what some people think, the Jamahiriya is not an isolated state. It is a state that enjoys a great deal of sympathy on the international scene. It is a full-fledged member state of the UMA [Arab Maghreb Union].

If the United States has other aims behind these threats, it should spell them out clearly. And assume full responsibility for them....

#### **International Consortium To Build Al-Wahda Dam**

*92AF0186C Casablanca AL BAYANE in French  
16 Nov 91 p 3*

[Article: "Al-Wahda Dam: Meeting of Management Committee in Moscow"]

[Text] The management committee of the consortium responsible for building the Al-Wahda dam and the hydroelectric plant to be built at its base met for two days in Moscow.

A Moroccan delegation from the Ministry of Equipment and Cadre Training led by Mr. Bouchaib Zitouni, director of the Al-Wahda dam project, participated in the deliberations of the management committee along with consortium partners from the Soviet Union, Spain, and Italy.

In a statement to the MAP bureau in Moscow, Mr. Bouchaib Zitouni indicated that Soviet officials said they were prepared to honor all commitments for participation in this project, noting that the Soviet external commerce bank has approved a Soviet commitment amounting to 1.3 billion dirhams. In exchange, Morocco could export citrus fruits and food products to the Soviet Union.

The Soviet Union will provide, among other things, the turbines and electromechanical equipment, he noted.

"Thanks to the talks with Soviet officials in Moscow, we have obtained the Soviet Union's commitment to guarantee financing for the project and worked out a construction timetable with the consortium," he said.

The Al-Wahda dam project, due to be completed by 1997, will cost 8 billion dirhams. In addition to the project director, the Moroccan delegation included Guerchadi Abdelaziz and Ghorfi Andelilah, representing the water works authorities and ONE [National Electricity Office], respectively.

#### **Finance Minister Discusses Proposed Reforms**

*92AF0149A London AL-SHARQ AL-AWSAT in Arabic  
21 Nov 91 p 10*

[Interview with Finance Minister Mohamed Berrada by Muna al-Bustani in Rabat: "Beginning in 1993, We Shall Repay Our Debts On Time; Loan and Interest Rate Deregulation Is Incentive for Competition Between Banks; We Do Not Fear Competition from Tunisian Off-Shore Zone Because of Distinctive Banking System in Tangier"]

[Text] The Moroccan economy is currently passing through a good growth stage. In spite of the negative repercussions of the Gulf crisis on the world economy, in general, and the Moroccan economy, in particular, specifically the tourism sector, the economic growth rate has risen from 2.6 percent to 4.2 percent. The Moroccan Minister of Finance, Mohamed Berrada, attributed this rise to the excellent grain harvest in 1991.

Berrada declared in an interview with AL-SHARQ AL-AWSAT that the rate of economic growth during the first four years of the 1988-1992 plan reached 4.6 percent. In spite of a fall in tourism, treasury and balance of payments current account deficits remained at the 1990 level. However, the inflation rate will rise a little because of the large increase in loans after the repeal of restrictions on bank loans.

The text of the interview follows:

[al-Bustani] You described 1992 as a transitional year when you presented the finance bill to the Moroccan Parliament on 4 November 1991. However, such development assumes that investment will be a definite factor for growth and it is apparent that, on this score, the investment budget for 1992 will only increase slightly.

[Berrada] The 1992 finance bill has two basic goals: the continuation of the process to improve the economy, and hence, the continuation in the reduction of the treasury deficit, and the correction of the socially negative repercussions of the reform policy followed by the government since 1983.

In 1983, the treasury deficit reached 11 percent of the GNP. It has now been reduced to 3 percent, but we hope to erase this deficit in 1993. It has to be greatly reduced in 1992 and we see this goal as a necessary condition to realize the credibility of the balance of payments and to cease rescheduling the foreign debt and to making the dirham convertible in 1993.

Gaining credibility for the balance of payments means the cessation of rescheduling the foreign debt by the general lenders in the framework of the Paris Club. In 1990, the commercial bank loans were rescheduled in the framework of the London Club. So, as of 1993, we shall repay our debts on time and there will be no need for agreements with the IMF [International Monetary Fund]. We will negotiate with this agency on the final agreement, which will cover 1991 and 1992. In 1993, we shall be able to cease rescheduling by improving the balance of payments and by allowing the convertibility of the dirham. When these conditions are met, the Moroccan economy will be able to pass to a new stage of its development, with the Moroccan economy and Moroccan companies becoming more integrated into the world economy. Foreign capital and loans will be attracted to Morocco voluntarily. On the other hand, the goal of reducing the treasury deficit will permit a reduction in the amount that the treasury will avail itself of from the currency market. Hence, the production sectors, especially the private sector, will benefit from greater income. The tax-collecting measures that are presented in the finance bill will contribute to the reduction of the treasury deficit through greater income from taxation.

The last goal of the 1992 budget is the correction of the socially negative repercussions of the economic reform policy. Nevertheless, during the first four years of the plan, or from 1988 to 1991, the general rate of economic growth was more than 4.5 percent, while the demographic growth rate reached 2.5 percent. Hence, there has been an improvement in personal income. However, since the issue here is one of an improved distribution of the fruits of economic growth, we have channeled increases in 1992 financial credits mainly to social sectors like education, health, housing etc. In this respect, a billion-dollar housing program will be funded, with the state participating with over one hundred million dollars. Therefore, 1992 will be the beginning of the social reform project, which will continue through the following years.

[al-Bustani] Since the increase in financial credits in the budget will basically be directed to the social sectors, this might mean that in the near future the state will not be making new investments.

[Berrada] Spending on completing secondary structures will proceed in the same mode and with the same emphasis. We shall continue to construct a dam every year. During 1991, work on the construction of al-Ma'jarah Dam, the second largest dam in Africa, has begun. We shall proceed with plans to construct the highway from Casabalanca to Tangier. There is also the important state effort in the area of communications equipment. The increased allocation of credit basically for social structures does not mean a reduction in spending on basic equipment.

[al-Bustani] Morocco has recently embarked on an operation to deregulate its financial sector. Two laws that will create changes in that sector will soon be presented to the Moroccan Parliament. They are the law to reform the stock exchange in Casablanca and the banking law. How far will this change-laden process in the Moroccan financial sector go?

[Berrada] More than any other time, we are presently directing our attention to the financial sector. We have entered upon an extensive reform procedure in this sector in order to open it up to the world economy, develop its competitive capability, and encourage competition between banks. This comprises an aspect of the banking law which will be presented to Parliament. In 1991, we have deregulated bank loans and interest rates. This has actually created incentives in the market, as the number of loans has risen by a large margin due to the market struggle between banks. So the situation in this sector has began to stir.

[al-Bustani] But deregulation of lending and interest rates has led to a rise in inflation and an increase in the cost of loans in 1991.

[Berrada] That is not unusual. There are many projects in need of funding. Upon deregulation, the money supply increased and, in turn, had its effect on the rate of inflation. All countries that have sought to deregulate their financial sectors have experienced this situation. In any case, the inflation rate in Morocco has remained moderate when compared to Latin American and African countries, where it exceeds 50 percent.

[al-Bustani] What is new in the banking law compared to the 1967 law?

[Berrada] Up till now, we have had a fractured financial system: There are banks making short-term loans, and there are specialized financial institutions, etc. We have abolished these fractures in the framework of the banking law draft, with only the concept of a bank, a comprehensive bank, remaining. That means that every institution accepts deposits and makes loans in the framework of a unified codification that aims at protecting depositors. Thus, we have included in the banking system specialized lending institutions, especially "leasing" companies and consumer lending companies. Additionally, we have instituted a free banking zone in Tangier.

[al-Bustani] Have you received requests from foreign investors intending to establish themselves in the international financial zone in Tangier?

[Berrada] We are currently in contact with Arab and European banks that wish to open branches there. I believe that the location of Tangier and its closeness to Europe, will soon constitute, together with the countries of Eastern Europe, the largest international market, which will attract international capital to the city. We believe that we are capable of profiting from the current changes, since we do not fear competition. What we do fear is political concessions that might be given to some countries and that might transform competition into a rigged game.

[al-Bustani] But there is a possibility that, in competition with Tangier, an "off-shore" zone might be formed in Tunisia?

[Berrada] There are prospects available to all the zones in the international capital market. Moreover, effectiveness is the best weapon to deal with competition. I can say, however, that if a bank would be asked to choose between the Tangier and Gibraltar zones, then it would definitely choose Tangier, because we have established a distinctive system there. It is the system that is invested with the "off-shore" stamp, and not the city. Moreover, Gibraltar is nothing more than a rock and, as a consequence, it lacks the social life of Tangier. In the final analysis, economic development depends on individuals and their capabilities more than on instituted economic and financial systems.

[al-Bustani] Do you think that Moroccan capital has actually achieved a level of maturity that qualifies it to compete internationally?

[Berrada] Moroccan companies have been protected for a long time. There is now a gradual shrinking of this protection. The Moroccan textile sector has, for example, switched from an importing to an exporting sector and businessmen in this sector no longer fear international competition.

[al-Bustani] Do you consider the deregulation of the Moroccan economy and making the dirham convertible as of 1993 as sufficient factors to attract foreign capital?

[Berrada] Attracting foreign capital is, in the first place, conditional on the existence of a market and a suitable environment for investment. These conditions are becoming more and more available. During the last four years, private investment in Morocco has grown by 35 percent, and of that, the foreign investment portion also grew, making up one-third. Previously, the Arab investment portion was not important, but it has begun to rise, and I believe that the formation of joint companies like the Moroccan-Libyan Investment Company and the Moroccan-Saudi Company are important channels to develop Arab investment in Morocco. The French are now the largest foreign investors in Morocco, but there is also Switzerland, Italy and Spain. Saudi and Kuwaiti

investments in our country have also begun to grow. It is noticeable that Arab investment is no longer concentrated on real estate, and has increasingly begun to extend to agriculture, industry, and tourism.

[al-Bustani] You spoke of the necessity of the existence of a local market as a condition for attracting foreign investment. Is it not possible that the limited size of the Moroccan market could form an obstacle in this area?

[Berrada] No, when an investor forms his company in Morocco, he has to establish it on the basis of an equilibrium between local and foreign markets. This is the position of many companies in Morocco. However, there are companies that were established with an eye on the foreign market only, and they realize high returns. I raise here another factor to attract foreign capital: the rate of company profits in Morocco has, according to their own statements, risen significantly in the last four years as profits have increased by 20 percent per annum.

#### **Minister Discusses Foreign Investment Policy**

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[Report by Mohamed M'Daghri Alaoui, minister of foreign investments: "Morocco Offers Many Opportunities for Foreign Investments in All Sectors of Activity"—first paragraph is introduction by Ahmed Aalam]

[Text] The economic liberalization program will continue in the coming years, among other things with the lowering of customs duties and convertibility of the dirham. On Tuesday 12 November 1991, Mr. Mohamed M'Daghri Alaoui met in Casablanca with a large group of Moroccan and foreign business figures, including the presidents of various chambers of commerce and industry in Morocco. The luncheon discussion meeting, one of the events organized to celebrate the 75th anniversary of the establishment of the Italian Chamber of Commerce in Morocco, gave the special minister for external investment in the office of the prime minister the opportunity to outline the general policy principles of his department, which as we know was only recently established. Because of the importance of Mr. M'Daghri Alaoui's remarks at this meeting, we believed it would be useful to publish it in its entirety in our economic supplement...

The Moroccan-Italian meeting we are attending today, which has been opened up to all the principal foreign chambers of commerce represented in Morocco, illustrates not only the quality of the economic relations that link our country to its external partners, but also our shared determination to develop the business partnerships our companies need in order to realize their aspirations and thus respond to the requirements of technological and geopolitical change as we approach the end of the second millennium.

I wish to thank the organizers of this meeting, particularly the Italian Chamber of Commerce, for giving me the opportunity at this luncheon to discuss with this distinguished audience a subject of great current interest both to policymakers and to economic operators in Morocco and to describe the prospects now opening up for cooperation and exploitation of our complementarities.

A whole series of such meetings (Morocco-France, Morocco-Italy, Morocco-Great Britain, and soon Morocco-Canada and Morocco-Spain) testifies to our shared hope to contribute to the growth of foreign investment flows to Morocco and closer cooperation between economic operators in our country.

Our subject today, "Morocco's need for foreign investment," gives me the opportunity to explain why it is in Morocco's interest to welcome this investment and to describe the many efforts it continues to make to improve the investment climate, consolidate its policy of liberalization and incentives, increase its economic potential and open up its very dynamic private sector to a broader range of partnerships, taking advantage of all the possibilities in various sectors of economic activity.

First of all, I would like to say a word about Moroccan-Italian economic relations, which in recent years have picked up dramatically again, in a way that holds out even more promise for the future.

These ties, dating back to the earliest commerce between Moroccan and Italian merchants in the 12th century, have grown steadily over time as a result of constant reinforcement and diversification in bilateral economic cooperation.

Italy has provided financial and technical support for a number of major socioeconomic projects in various domains, including hydrocarbons (the SAMIR [Moroccan-Italian Refining Corporation] oil refinery with Mattei), automobile assembly (the SOMACA [Moroccan Automobile Manufacturing Company] plant with Fiat), oil exploration at Tarfaya, hydraulic equipment (M'Jaara dam and hillside dams), road infrastructure (highways), etc.

Italy is our third-largest trade partner, behind Spain and France, with 7 percent of total external commerce.

Italy accounts for 4 percent of all foreign investment in the country.

A number of financial accords have been concluded between the two countries:

- a \$100 million line of credit for PME's [small and medium-size enterprises];
- a \$140 million credit for joint Moroccan-Italian activities;
- 80 million lire for technical assistance;
- 810 billion lire for the 1990-92 period for countries of the Mediterranean basin and Near East; among those countries, Morocco gets an especially large share.

#### Investment Climate

As you know, Morocco has many attractive features that constitute an appreciable advantage and powerful incentive for the growth of foreign investment and trade.

While consolidating a liberalized, diversified, outward-looking economy based on private initiative, Morocco offers an environment conducive to success, thanks to its economic potential and human resources, its position as a bridge between the Maghreb and Europe, and above all the commitment of its leaders to encourage investors by means of various incentives.

The array of investment incentives has been greatly increased through a series of measures intended on the one hand to offer investors a warm reception and greater advantages, and on the other hand to eliminate constraints that impede the smooth functioning of the investment process: encouragement of private initiatives, incentive measures inscribed in the investment code, trade liberalization, simplification of procedures, liberalization of foreign exchange regulations, credit policy, export promotion, an investor assistance and communications infrastructure, technical assistance to investors, etc.

I will enumerate here the principal advantages for which Morocco is known in international business circles:

- a unique geographic position at the junction between Europe, Africa and the Arab countries;
- close proximity to the EEC (only 17 km away), to which Moroccan products have duty-free access under a cooperation agreement;
- similar trade agreements with Arab and African countries giving Moroccan products preferential treatment;
- a diversified and high-quality infrastructure in terms of roads, railroads, ports, airports and telecommunications;
- natural wealth, including diversified agricultural, fishing and mineral resources;
- a well-developed banking system, including specialized lines of credit (small and medium-sized industries, IMME's [machinery, metallurgical and electrical industries], exports, etc.);
- an effective cadre of engineering firms and laboratories;
- a well-developed training and education infrastructure;
- a package of investment incentives that broadly encourages the creation of companies in various sectors of economic activity: agriculture, industry, mining, fishing, tourism, housing, etc.
- a new dynamic established by the Royal Letter ordering the bureaucracy to process investment applications within a two-month period.

Thus, over the last few years, Morocco has worked to remove obstacles impeding the development of the productive sectors, by creating conditions in which they can flourish.

**Outward-Looking Policy**

I would like to give you a brief summary of the principal measures taken to implement our country's policy of external opening:

- abrogation of the Moroccanization decree;
- liberalization of foreign trade;
- gradual liberalization of the foreign exchange regime;
- liberalization of the finance and banking system.

**Abrogation of the Moroccanization decree:** The Moroccanization restrictions were lifted in 1990, with abrogation of the decree as it pertains to certain activities.

Also, foreign investors are now specifically allowed to cultivate agricultural land under long-term leases.

In terms of liberalizing external trade and currency exchange, important structural measures have been taken in recent years to allow investment to play a dynamic role in the country's economic development.

Measures in this area have affected virtually every aspect of external commercial and financial relations including foreign trade, transport, deep-sea fishing, foreign investment in Morocco, foreign-currency investments, tourism, etc.

**Liberalization of foreign trade:** Various measures have been taken by the appropriate authorities to promote and increase exports.

These measures, which involve promotional, fiscal, tariff, and banking incentives, as well as guarantees to limit commercial and foreign-exchange risks, include:

- ending the monopoly of the OCE (Marketing and Export Office);
- the plan to create duty-free export zones outside the city of Tangier;
- creation of the Moroccan Export Promotion Center (CMPE) to promote and stimulate sales abroad;
- creation of SMRX, the Moroccan export insurance company.

Manufacturing plants also benefit from provisions that reflect our liberal foreign trade regime, since virtually all products can be freely exported.

Export operations are not hostage to bureaucratic procedures or advance authorization; the exporter presents his export certificate directly to customs officials to export his merchandise.

Liberalization of foreign-exchange regulations has removed all obstacles to international commercial transactions, foreign investment in Morocco, foreign technical assistance, and tourism.

With regard to foreign trade, for instance, import-export operations have been exempted from the requirement to get approval from the Office of Foreign Exchange. The financial regulations pertaining to these operations now only directly affect the banks.

A new system has been established by the Office of Foreign Exchange that allows exporters to maintain convertible accounts for export promotion.

**Liberalization of the foreign exchange regime:** The authorities are constantly enacting new liberalizing measures with respect to foreign exchange control, in order to allow foreign investors in particular to liquidate their foreign-currency investments freely and without advance authorization from the Office of Foreign Exchange.

These measures to ease currency control restrictions reinforce the advantages conferred by the transfer guarantee for foreign investors; they also increase business confidence and attract foreign capital.

Thus, the foreign investment regime has been thoroughly simplified and liberalized by the elimination of advance authorizations and the automatic entitlement to transfer guarantees with respect to income from investments, capital invested in foreign currencies, and capital gains resulting from ownership transfer or withdrawal.

Another fairly important foreign exchange liberalization measure allows banks at their discretion to invest funds held in hard-currency accounts—or any other type of hard-currency deposits from foreign persons or companies—on international capital markets.

**Liberalization of the finance and banking system:** In recent years, it has been necessary to adapt the structures of the Moroccan banking system to the new financial needs of the domestic economy and its opening to the outside world.

Steps in this direction have already been taken by the monetary authorities and banking establishments, the most important of which are as follows:

**Decompartimentalization of structures:** Since 1986 we have seen a decompartimentalization of the activity of banks and specialized financial entities, these latter having been authorized to accept deposits.

**Financial disintermediation:** The process of disintermediation was begun with creation of the market for commercial paper, allowing big companies that have short-term finance needs to attract resources of a non-monetary character.

This new financing method is one facet of the search for effective ways to reduce pressure on bank credit and promote the growth of direct financial relations between diverse economic agents.

**Easing of credit rationing and flexible interest rates:** Conditions for easing credit rationing have gradually been established. In January 1991, the monetary authorities decided to lift the credit ceilings established in 1974 and to liberalize interest rates for creditors and debtors, except for interest charged for export credits, which is fixed at 9 percent, and medium-term credits to PME's, which are limited to 12 percent.

New reserve requirements: Liberalization of the banking sector has been accompanied by the adoption of important reserve requirements to permit adequate control over banking activity.

International standards such as the Cook ratio have been adopted in that connection.

The reform of the banking system has been accompanied by a broader international opening. In the last few years, for example, several banks have opened bureaus and branches overseas, and Parliament on 5 June 1991 passed an offshore banking center law.

The current investment incentive policy is implemented in a variety of ways, the most important of which are:

- the investment codes;
- the creation of offshore financial zones;
- the nationwide program of industrial zones;
- tax treaties to eliminate double taxation;
- investment guarantee agreements.

Investment codes: In the years since Morocco attained independence, the authorities have provided the country with a modern basic infrastructure and promulgated laws to stimulate the private sector.

The legislature has adopted investment codes that were modified to better respond both to the expectations of entrepreneurs and to the state's commitment gradually to disengage from certain economic sectors in favor of the private sector.

These laws include provisions for greater or lesser financial and tax benefits depending on the sector of activity and the location of the new company's facilities.

Benefits deriving from the investment codes are subject to approval of the company's investment plan by the ministry that oversees that sector of activity.

In that connection, administrative procedures were made less burdensome by the reforms spelled out in the Royal Letter of 14 June 1989.

Privileges of offshore banking centers: Specific privileges are accorded to banks and holding companies that locate in the Tangier financial center and offer certain guarantees, for example with respect to total capital holdings. These privileges include:

- freedom to engage in currency exchange transactions with nonresidents;
- tax advantages;
- exemption from registration fees for incorporation or capital improvements to grounds and premises used for the activity;
- exemption from, or reimbursement of, value-added tax in connection with the acquisition of new capital equipment and office supplies, as well as interest on loans and deposits, commissions and other services;
- exemption from business licensing fees and municipal taxes;

- exemption from TPA [Tax on Income From Securities] on dividends;
- exemption from the tax on interest on term deposits and cash vouchers, which can be applied against interest paid out;
- reductions in the solidarity tax (IS) rates:
- for banks, the option of paying either a 10 percent IS (instead of 40 percent) or a lump-sum \$25,000 per year in-lieu payment;
- for holding companies, an in-lieu payment of \$5,000;
- assessments for directors' fees and remunerations are withheld at the source, by means of an 18-percent levy in lieu of general income tax.

#### Industrial Zones

Also, the authorities have launched a program to create industrial zones throughout the kingdom; about thirty are currently in operation. In addition, there are plans to create two new integrated industrial zones or industrial parks that can offer investors improved land as well as access to services useful in establishing and operating their companies.

#### Tax Conventions

Under the terms of conventions signed between Morocco and a number of foreign countries (Europe, United States, Canada, Maghreb, etc.), double taxation is avoided by means of exemptions or tax credits.

There are bilateral investment guarantee conventions with the United States, Belgium, Luxembourg, the FRG, Canada, France and Sweden, etc.

These conventions give productive foreign investment the same security, protections and advantages as those accorded to nationals and investors from any other third country:

- guarantees against the risk of nationalization or expropriation;
- guarantees of the right to transfer profits, royalties, and proceeds of liquidated investments;
- acceptance of the jurisdiction of the International Center for the Resolution of Investment Disputes (CIDRI).

#### Ministerial Role

As we have seen, Morocco as an outward-looking country has established a juridical framework designed to accommodate foreign investment and attract foreign investors to our country.

Nevertheless, it was also necessary to define a foreign investment policy and adopt a strategy. The Ministry of Foreign Investments, created on 3 July 1991, is one of the instruments of that policy.

Taking into account the accelerated pace of change in the international economic environment and changes in Morocco's investment climate, the objective of the Ministry of Foreign Investments is to contribute to the

implementation of an effective promotion strategy that meets the needs of foreign investors coming to our country.

Reflecting Morocco's desire for foreign investment, this ministry will ensure coordination of activities carried out by the various governmental departments involved in investment matters. Foreign investors thus have their own interlocutor in government.

Its mission is first of all to identify prospects and carry on promotional activities designed to communicate to a wider audience the facts about our country's potential and the facilities and advantages it offers: to promote, but also to welcome, inform, and as necessary assist the foreign investor throughout the life of the project.

The ministry is in the process of preparing a reference manual incorporating all the relevant economic, financial, juridical, institutional, and cultural information currently available. This manual will be distributed widely in Morocco and abroad.

Also, from time to time missions are sent abroad, in collaboration with the ministerial departments, to give Moroccan and foreign institutions an opportunity to deal with specific subjects relative to aspects of Morocco's policy of encouraging foreign investors. To this end, contacts have been made with the ministerial departments concerned, the banks and Moroccan chambers and professional associations, with a view to coordinating their activities in this domain and involving the special minister for foreign investment in these activities. In dealing with foreign organizations, the department takes the lead and proposes the organization of workshops on subjects chosen by mutual agreement.

Naturally, given its vocation as a coordinating body that interfaces frequently with foreign investors, the Ministry of Foreign Investment is authorized to propose to governmental organs such legislative or regulatory changes as it deems appropriate to improve Morocco's investment environment.

#### What exactly is the ministry's contribution?

Let us recall that an investment project goes through three phases:

- the preparatory phase, which consists of collecting all the documents needed for the investment application;
- the analysis phase, during which appropriate governmental entities consider the project, leading either to certification of compliance or rejection;
- the phase of project realization.

It should be noted that a number of procedural improvements are needed in the first phase—since these procedures overlap and sometimes involve needless duplication—so as to avoid completing endless numbers of forms and going back and forth between different departments.

The Ministry of Foreign Investment helps foreign investors by welcoming them, informing them, and helping them put together their investment application.

The second phase, in which the investment application is examined for compliance with all laws and regulations, presents no problems. Indeed, the instructions contained in the Royal Letter and the prime minister's circular are scrupulously respected.

During the third phase of actual project realization, ministry personnel accompany and assist the promoter and continue to correspond with him throughout the life of the project. The transfer of ODI [Office for Industrial Development] into the Ministry of Foreign Investment provides an opportunity to refocus the public service activities of that office, primarily investment promotion, so as to adapt them to the current economic situation and ensure optimal functioning.

As a promotional instrument, ODI will make a significant contribution to the ministry, particularly in the following domains:

- special and selective investment promotion activities;
- support for promotional activities abroad;
- support for promotional efforts and creation of enterprises in the various provinces of the kingdom;
- creating the institutional machinery to welcome, advise and assist investors.

#### Selecting Investors

As you see, Morocco has created a favorable framework for investment, and it has constantly worked to make it even better, through greater liberalization, consolidation of measures already taken, and opening up broader horizons with the UMA [Arab Maghreb Union], various accords with the EEC, and conventions signed with third countries.

Despite all this, it must be acknowledged that Morocco has not seen as much foreign investment as hoped: It accounts for only one-fourth of approved industrial investments and scarcely 1 percent of our Gross Domestic Product.

Fortunately, this fact is offset by the qualitative contribution that foreign investment has made to Morocco, a contribution that fits with our desire to increase technology transfer, expand our financial resources and conquer new markets.

#### Priority Sectors

Morocco offers many investment opportunities in sectors as diverse as agriculture, fishing, industry, tourism, real estate development, services, etc.

The country's economic potential includes:

A dynamic agriculture: 7.7 million hectares of arable land, including more than 800,000 hectares of irrigated land, substantial hydro-agricultural infrastructure, numerous

benefits and incentives (tax-exempt status up to the year 2000), modernization of production techniques.

The priority given to the agricultural sector opens up even greater prospects for development, particularly in the areas of greenhouse production and food processing, industrial refrigeration, etc.

**Substantial fishing resources:** yearly potential of 1.5 million tons (of which at present only 551,000 tons is actually exploited in the waters off our 3,500 km of coastline), infrastructure for several fishing ports, augmentation of the national fishing fleet, and development of local industry.

Maritime fishing and industrial fish processing continue to make significant progress, thanks to large investments to increase catches, construction of new port infrastructure, growth of the fishing fleet, and increased exports of products from the sea.

The fishing agreement with the EEC will doubtless promote further development of this sector.

**Varied mineral resources:** 75 percent of the world's phosphate reserves, as well as other ores, including lead, iron, copper, manganese, barium sulfate, fluorine, etc...a 15-percent increase in 1990, reversing the downward trend of recent years.

#### Industrial Expansion

In the industrial sector, we see strong performance and sustained growth in terms of investment, production, exports, and job creation.

This sector, consisting of about 5,800 industrial facilities that employ close to 414,000 wage-earners, is one of the pillars of our economy. By virtue of its potential and its performance to date, it offers significant opportunities for direct investment, joint ventures and subcontracting operations.

In the textile sector, there are widespread investment opportunities in spinning, weaving, fabric dyeing and finishing, fabrics for furnishings, lightweight cloth, and hosiery, similar to projects already initiated and realized with the help of foreign partners or multinational companies.

Morocco's leather industry is distinguished by the high quality of its products, exports of which more than doubled between 1981 and 1989. This industry offers opportunities in such fields as tanning and footwear.

I think the garment-making and leather industries offer a great many opportunities for joint ventures such as those that have been realized with German, Italian, and French partners.

The chemical industry has shown dynamic growth since 1987, confirming the favorable trend observed in recent years, particularly in phosphate-related activities.

Morocco has plans for major investments in the phosphate industry—an investment program totaling 80 billion dirhams by the year 2000—in hopes that eventually 40 percent of the country's phosphate production can be processed locally. This branch, along with other complementary activities, is going to see additional expansion in the domains of diammonia phosphates (DAP), triple superphosphates (TSP), and triphosphate soda (TSPP).

In this context, there is a firm commitment to involve foreign industry in the realization of this ambitious program in a way that will promote the technical and technological advance of the Moroccan enterprises involved.

In the field of building construction and public works, after implementation of the country's structural adjustment plan, the state has launched a sustained recovery program (construction of dams, an ambitious program of low-cost housing construction, a highway upkeep and maintenance program, port infrastructure, etc.).

The promising prospects in this sector, starting with the existing program to upgrade the phosphate industry, also include other investment niches: white cement, ammonium nitrate, as well as a number of PMI projects in ultrarefined chemicals.

In the IMME sector, investments are still needed for expansion, integration and modernization, especially in semifinished metal products (rods, copper wire, etc.), industrial pipe fittings and accessories, agricultural equipment, irrigation equipment (pivots), electronics modules subcontracting, automobile accessories, etc.

Other investment opportunities in this sector include electric and electronic equipment, the program for bringing telecommunications to rural areas, modernization of the country's urban network, introduction of new telecommunications services, as well as expansion of international links. In elaborating this program, local production of telecommunications equipment is envisaged in order to promote the growth of a domestic telecommunications industry.

#### Tourism Potential

More than 3 million foreign tourists, and in terms of accommodations the country has on the order of 100,000 [hotel-room] beds.

#### Banking Sector

In 1990, accounts in the country's 15 deposit banks totaled 110.5 billion dirhams, and in-country loans totaled 41,000 million dirhams. There are banking institutions that specialize in financing industrial, agricultural, touristic, and real estate investments, as well as special credit lines for PMI's, IMME's and exports.

#### Partnership Modalities

Throughout the world, strategies to enter or penetrate regional and international markets are increasingly

based on partnerships of every kind: provision of capital, technical assistance, technology transfer, subcontracting, market outlets, etc.

**Triangular operations:** Morocco offers many opportunities for triangular operations in which local entrepreneurs join with foreign financial and technological partners to make products that will be price-competitive in a third-country market.

This is a medium and long-term strategic option to build synergies, and it is an integral component of the industrial and technological relationship between North and South.

**Joint ventures:** With its significant industrial substratum of local investors, Morocco is constantly seeking technology and remains open to foreign capital.

One special form of partnership is the "joint venture," which entails, in addition to the contractual relationship with an external partner, resource commitments on both sides and joint assumption of risks and decisionmaking responsibility.

**Subcontracting:** As a preliminary stage in foreign direct investment that makes an active contribution to industrial exports, international subcontracting accounts for a significant share of our industrial production.

It contributes broadly to upgrading the productive capacity of many Moroccan enterprises, especially in the electromechanical, clothing and leather sectors.

A promotional effort is under way to provide industries around the world with practical information about the possibilities and advantages of subcontracting in Morocco, with a view to facilitating direct contacts between foreign parts orderers and interested Moroccan enterprises.

#### Maghreb-EEC Prospects

Translated onto the larger and economically viable canvas of Europe and the Greater Maghreb, the partnership formula becomes a "cross-border" operation and appears as both a solid meeting point and a unique instrument for the creation of efficient enterprises.

The possibilities opened up by creation of the Greater Maghreb, the significant concessions enjoyed by products of Moroccan origin in Community markets and improvements in competitiveness will, I am sure, allow European enterprises that produce or subcontract in Morocco to improve or maintain their positions in certain third-country markets.

Through integration, the Maghreb—with its potential market of 100 million inhabitants by the end of the century—will benefit from undeniable economies of scale and relatively high-growth rates. Certainly the

establishment of a common tariff and expected elimination of import duties among the five members is going to create an internal dynamic that will benefit production facilities in the Maghreb.

Morocco, by virtue of its large industrial plant, its economic infrastructure and its commitment to improve accommodations [for foreign interests], will be one of the major hubs of the Greater Maghreb. The choice of Casablanca, the country's largest economic center, as the site for the permanent headquarters of the UMA general secretariat is the best evidence this is true.

In Europe, the expected arrival of the single Community market in 1992 should serve only to increase the incentive for businesses to take advantage of this mode of implantation.

Morocco, like Algeria and Tunisia, has a cooperation accord with the EEC. Mauritania is a party to the Lome Convention. Under the Morocco-EEC accord, all our industrial products are exempt from customs duties (and taxes of equivalent effect) when imported into Community member states. This is also the case for agro-industrial products, with respect to fixed taxes. With regard to agricultural and fish products, tariff concessions—already substantial—are going to be further broadened, so that no import duty will have to be paid on most of these products as of 1 January 1996.

The rules of origin are satisfied by 40- to 50-percent Moroccan value-added, which, in terms of the Moroccan-Italian relationship, does not pose major problems.

Finally, by virtue of its comparative advantages, Morocco is an ideal overseas production site for many European enterprises that face relatively high costs in their country of origin. It was in this spirit that His Majesty the King, in an interview with French journalists last July, suggested that these enterprises consider transferring all or part of their production to Morocco.

Some have done so, and others are now doing so, convinced that the productivity gain they would realize in Morocco would improve their competitiveness and enable them to maintain their existing markets and gain footholds in others.

#### Conclusion

I hope this review of the various steps that have been taken to improve the environment gives you some idea of the efforts Morocco has made over the last few years.

Some of our foreign partners have taken advantage of this, but in reality those that have taken fullest advantage are our own domestic enterprises, which shows the confidence our entrepreneurs have in their own country. All this activity attests to the health of our economy and confidence in our development.

It goes without saying that Morocco wants to do even more. Its openness initiative will continue, over the next few years, with further reduction of customs duties and

convertibility of the dirham, among other things. Also, serious attention is already being given to harmonization, simplification and expansion of investment incentive measures.

We in Morocco are well aware, as His Majesty the King has often pointed out, that we live next door to that great commercial power that is the EEC, and as such we should benefit from the latter's dynamism. Our objective, and the large number of you here today only confirms it, is to densify both your industrial fabric and our own. This densification is further facilitated by the fact that it now covers not just states but two regional groupings, the EEC and the UMA, which together offer undeniable complementarities.

Integration and cooperation on the scale of the Western Mediterranean, though still just beginning, opens up promising vistas. Aren't North-South groupings the wave of the future? Isn't the free-trade accord between Canada, the United States, and Mexico—like the very close cooperation among the countries of the Far East—another manifestation of this same trend?

**Government Urged To Adopt 'Moral Code'**  
92AF0182E Rabat *L'OPINION* in French 3 Dec 91  
pp 1, 3

[Commentary by Driss Ben Ali: "Morocco in Search of a Political Ethic"]

[Text] Everyone agrees that Morocco is on the eve of a decisive year. But that apparently unanimous awareness is not likely to go beyond the stage of good intentions. How many times in the past has it been announced that Morocco was on the eve of major reforms, and how many times have we been left unsatisfied?

Today we are once again in the presence of a great historic opportunity, but there is great fear that this chance will escape us as has happened in the past. If so, there will certainly be disastrous consequences as far as the future of our society is concerned. At a time when the winds of democracy and freedom are blowing over the world and sweeping aside archaic structures in their path, it would be particularly harmful to our country to remain attached to obsolete ideas and to practices which have tarnished its image abroad.

It is absolutely necessary to establish a political life that is free of the scheming we have known in the past and in conformity with the spirit of the age. If one thinks about it carefully, there are not umpteen ways of doing that. There is only one: to join the universal surge of democracy, freedom, and respect for human rights and to promote a political ethic that is in keeping with those principles and in harmony with developments in society. Because Moroccan society is experiencing a veritable ground swell that is shaking the traditional social edifice on which the current political game rests. The social order of 30 years ago, in which the rural element predominated (with over three-fourths of the population

living in the countryside), illiteracy reigned, and the individual existed only as an undifferentiated speck in the spatial whole, is giving way to another order. The rapid urbanization of the past few years, the appearance of new elites, and the emergence of the individualistic spirit are on the way to completely overturning society. The individual existing as part of a community society, enjoying little scope for initiative, and living a life codified from start to finish by community convention is disappearing; we are witnessing the overthrow of the old community order and the gradual replacement of the primacy of the group over the individual by its opposite. By eroding the traditional order and placing the individual ahead of the group, the idea of freedom, democracy, and respect for human rights has become a priority. The result is the establishment of a new reality in which each person is unique and equal to everyone else.

In those conditions, the system of notables that was promoted by Lyautey and largely continued by independent Morocco becomes anachronistic.

In addition, the speed with which information circulates and the access which broad masses of the population have to it promote awareness, encourage people to compare themselves with others, arouse new aspirations, and increase the demands made by the citizens—in short, they make the management of people and things more complicated because such management requires considerable technocratic training and a broad humanist outlook.

In such a situation, there is little room for the patriarch whose competence and know-how are a function of how long and white his beard is. The complexity of modern life and the rapid advance of knowledge, mentalities, things, and people are leading public opinion to change its behavior rather quickly, to turn away from ideas and ideologies, and to grow tired of a political class that never changes and never takes in new blood.

That being the case, it is high time for our rulers to abandon certain practices and to begin listening to civilian society, because that is the way of salvation. It is therefore imperative to establish a new outlook and a new political ethic. The latter must be based on certain practices:

**1. Respect for Rules of the Game**

Everyone knows today that the credibility of a political system depends on its ability to enforce the laws it promulgates and to set up institutions supported by everyone. Having a constitution and a parliament and passing laws is not enough to enable us to claim that a modern system and a state of law have been established. Almost every country in the Third World has a constitution, laws, and institutions, but most of them are known for not respecting those laws and institutions. It is even admitted nowadays that one of the features of those countries is that they seize upon the symbols of modernity only to pervert and corrupt them. Unfortunately, our country is no exception to the rule. As a result of recourse to loopholes, failure to obey the

law, and sordid maneuvering, the citizens are being made to lose confidence in the country's laws and its representative institutions.

## 2. Establish Transparency

There is no modern and democratic society without this fundamental feature [transparency]. Because of their failure to realize that, certain countries in the East and the Third World are experiencing serious problems today.

Transparency is a necessary dimension of democratic life. Besides creating responsible and motivated citizens, it enables people to be in step with reality. It gives rise to initiatives necessary for effective action, generates the drive essential for development, motivates people (because everyone feels constantly impelled to contribute to public life), brings the citizens out of their isolation, and arouses curiosity and enthusiasm in them.

But some people prefer opaqueness, fog, and scheming. They simply forget that those practices give rise to negative behavior on the part of the citizens. Instead of having responsible citizens who play fair, what we have are passive people who are compelled to engage in permanent playacting and to pretend that they agree with the official viewpoint.

## 3. Restore Meaning to the Ballot

So far, Moroccans have known only elections that have no decisive effect. Because of election rigging and falsification, they have lost their awareness of how important their ballots can be.

It is that awareness and that confidence which must be restored to them. The authorities must change their methods and give elections their true dimension. The citizens must be persuaded that going to the polls is a civic and patriotic act and the only way to ensure that their opinions and interests will prevail. The system of assigning quotas to the parties, the designation of winning candidates in advance, and direct intervention by the government to put pressure on voters and candidates are not practices that can be called democratic. If that is what they call "democracy" and what they are getting ready to come out with again, then it must be said: nobody is being fooled.

## 4. Allow Real Opposition

It is not by creating fake parties or associations that one contributes to the development of democracy and freedom in a country. It is not the yes-men and the zealous and mediocre opportunists who are going to help the inhabitants solve their problems or shoulder responsibilities in their tasks. The values of submission, passiveness, and docility that are being cultivated in the citizens are likely to turn against everyone. It is in such environments that extremism in all its forms flourishes.

By encouraging submission and passiveness, the rulers created citizens who are irresponsible because they have

been crushed by authority and excluded from public life. For such citizens, the state is an entity which both crushes and squeezes and which, as a consequence, must be feared if it cannot be destroyed.

The existence of real opposition groups (associations, unions, parties, media, and so on) is a guarantee against arbitrariness and also a thermometer available to officials who want to save their country from bad mistakes and chaos.

It is the best means available to the various social forces for causing their interests and aspirations to prevail. It is also the means of channeling conflicts and contradictions and arriving at a positive solution. Without it the street will continue to be the only locus of real opposition. And that possibility, besides the fact that it results in bloodbaths and claims innocent victims, may lead the country into disaster, especially since the growing number of society's excluded and marginalized citizens makes that threat more serious.

In short, if we intend to form a nation that is capable of coming to terms with its past and does not turn its back on the future, we need to revise political practices, adopt a different political ethic, and respect that ethic, because what is being practiced among us today is far from conforming to the standards that would be required of a modern country and a democratic society.

## Selling of State Firms To Begin in 1992

*92AF0113A London AL-SHARQ AL-AWSAT in Arabic  
8 Nov 91 p 4*

[Article by Muna al-Bustani and Hatim al-Butaywi]

[Text] Next year, the Moroccan Government will begin the first wave of selling public sector establishments. In the article on revenues in next year's budget draft, it included the amount of 1 billion Moroccan dirhams as income from selling the public establishments. The government has completed all the legal and administrative arrangements to start the selling process, and the committee for assessing prices has completed its work. The government plans to sell all 113 establishments that are up for sale in six years.

The Moroccan finance minister, Mohamed Berrada, during his presentation of the new budget bill before the Moroccan parliament this week, described the next fiscal year as being one of transition for the Moroccan economy.

The 1992 budget aims to end the budget deficit as of 1993 in order to achieve a balance of payments and make the Moroccan currency convertible and place a limit on rescheduling foreign debt.

Berrada said that next year the economic plan for 1988-1992 will end, and it will form a link between the two different stages in Morocco's economic policy,

since Morocco will be in a better financial position after the restructuring and reform, which began in 1983, is completed.

The Moroccan finance minister laid out the general framework of the intended goals of the 1992 fiscal bill and the economic situation, saying: "The budget bill is being presented under circumstances that have seen the effects of two events, namely the Gulf crisis and the demolishing of the planned economic system." He added that a number of conditions must be met for the Moroccan economy and Moroccan companies to become fully integrated into the world economy. These conditions, in brief, are: the completion of economic reform, placing a limit on rescheduling foreign debt, and making the dirham convertible as of 1993.

In this general framework, the fiscal bill for next year comes within the context of eliminating the treasury deficit in 1993.

The Moroccan Government believes that the dirham will not become convertible as long as the treasury deficit is not overcome and balance of payments balanced. Moreover, a balance in the treasury will lessen the pressures on interest rates, which arise from the polarization of the treasury's loans to important resources at the expense of the private sector. Berrada also stated that important credits will be allocated to social sectors within the framework of the fiscal bill, which also stipulates amendments in the area of taxes on companies, whereby the ceiling on minimum shareholding related to taxes will be cancelled, and there will be introduced a shareholding minimum pertaining to the general income tax on business incomes subject to accounting. The tax amendments in the new budget arise from the principle of treating income equally, irrespective of the legal characteristic of the person subject to the tax. The new budget in Morocco is being prepared at the same time as several laws pertaining to the activity and oversight of lending establishments and the securities market, of the activity of establishments dealing in collective investment of transferrable amounts, and of the accounting duties of merchants.

Mohamed Berrada presented to the parliament a positive assessment of the economic reform policy, which Morocco had been implementing over eight years. He said: "The individual domestic product has almost doubled in face value between 1982 and 1990, and savings have grown from 16 percent to 25 percent of the gross domestic product, and the rate of investment remained at 24 percent of the gross domestic product, and private sector investment commitments rose five times during this period, and the treasury deficit decreased from 11 percent to 3 percent of domestic product. As for foreign accounts, the rate of exports covering imports [faltered] from 48 percent to 61 percent, and the bank reserves now cover more than three months of imports, while they were practically nonexistent at the beginning of the eighties."

When he moved on to assess the current year's revenues, Berrada said that it supports the general lines for economic development over the past eight years, since the rate of economic growth rose from 2.6 percent to 4.2 percent, and this growth is attributable to the good grain harvest, which lessened the negative effects of the Gulf crisis on the Moroccan economy, since the treasury deficit and the current accounts deficit remained at the level reached in the past year, despite the decline in tourism income. In contrast to that, inflation rose during the current year because of the large volume of loans that commercial banks granted after the lifting of restrictions on bank lending in Morocco.

Based on the general proposition of the budget bill for next year, as presented by the Moroccan finance minister, 1992 will be the end the Moroccan economy's reform programs, and they will be followed by allowing the exchange of the dirham. With that, the liberalization of the Moroccan economy will be complete, with the goal of integrating it more into the world economy.

In the context of reducing the side effects of the economic reform measures, the allotment for the Ministry of Education in the budget bill rose by 21 percent; the Ministry of Health by 21 percent; and investments in the housing sector by 183 percent, with the implementation of a new 9-billion-dirham program to end shanty towns.

As for the allotments of the Ministry of Youth and Sports, they rose by 11 percent for equipment, and 46 percent in investments; while the allotments for the Ministry of Labor rose by 15 percent for equipment and 72 percent for investments, and the allotments of the Ministry of Justice rose by 23 percent for equipment and 10 percent for investments.

Along with that, the credits for providing the needed human resources were provided for 71.5 percent of the total of new employees in the 1992 budget—15,610 employees.

Regarding the indicators of the foreign debt, Berrada said that they have seen tangible improvement and that the total foreign debt in relation to the gross domestic product, which was up to 97 percent in 1983 and 123 percent in 1985, had dropped to 81 percent, while the rate of servicing the foreign debt in relation to current foreign revenues had dropped from 71 percent in 1986 to 42 percent.

#### Government Urged Not To Ignore Plight of Workers

92AF0182D Rabat *L'OPINION* in French 4 Dec 91 p 1

[Editorial by Mohamed Idrissi Kaitouni: "The Role of the Authorities"]

[Text] At a time when there is increasing talk about the disengagement of the state, the restriction of its intervention, and a reduction in the role and size of the public sector, there is also persistent mention of the need to

abide by a social peace that is conceived of in the restrictive sense of a unilateral renunciation by the unions and workers of the practice of making demands, even those considered legitimate, and of the exercise of their right to strike.

As presented, those two notions are contradictory because the state's disengagement, which is interpreted as calling for a wait-and-see attitude and as being a matter of indifference, can only favor a deepening of social disparities, arbitrariness, and abuses of all kinds as well as the exasperation of all types of workers, who are daily witnesses to the serious and dangerous deterioration of their purchasing power owing to the high cost of living, paltry wages, and the specter of unemployment that is affecting broad sectors of the population and threatening those who already have jobs.

When it comes to the citizens, especially the working classes and the destitute, who are bearing the increasingly heavy burden of taxes, particularly indirect and similar taxes, the state must not abandon the social aspect and cannot refuse to guarantee them the exercise of their basic right to education, employment, health care, and sanitary housing. It must guarantee them a decent standard of living and the peace and safety of property and persons.

The state must also assume its full responsibilities and must not bury its head in the sand or adopt the law of the jungle by choosing a policy of neglect and laissez-faire, which favors oppression by capital and exposes the workers to exploitation, arbitrariness, and pauperization.

Moreover, and this is essential, the authorities must not allow the crisis to get worse by displaying an attitude of neglect and a lack of interest in the face of the problems presenting themselves. They must make constant use of objective, serious, and constructive dialogue in order to arrive—with management and labor—at fair and lasting solutions that will take into account both the legitimate demands of the working classes and the general interest.

By pretending to be ignorant of the workers' grievances as set forth in the demands presented by the workers' union confederations, the authorities are scarcely helping to create the indispensable conditions for social peace and are, by their obstinacy and shilly-shallying, favoring the start of strikes, which in any case remain a legitimate right guaranteed by the Constitution and the laws in effect.

Social peace therefore requires systematic recourse to dialogue, respect for the rules and practices of the democratic game, and, above all, the existence of a real will on the part of the authorities to solve the social problems and protect the workers and their purchasing power.

### Various Socioeconomic Projects Launched in Oujda

*92AF0182B Casablanca LE MATIN DU SAHARA  
in French 20 Nov 91 p 1*

[Article by MAP: "Various Socioeconomic Projects Launched in Oujda by Minister of Public Health"]

[Text] On the occasion of Independence Day, Minister of Public Health Tayeb Bencheikh, accompanied by Mohamed Boufous, governor of Oujda Province, inaugurated several socioeconomic projects on Monday.

Following the raising of the colors on 9 July Square, the minister went to Oujda's Al Farabi Hospital, where he delivered a shipment of medical equipment supplied by the Ministry of Public Health with the help of contributions by the Association for the Support of Al Farabi Hospital and Oujda Province. The total cost was 2,393,398 DH [dirhams].

The equipment included in particular devices for blood analysis, wheelchairs, microscopes, and motorbikes to facilitate travel by nurses working in the rural communes.

Tayeb Bencheikh also kicked off the operation for resurfacing nearly 40 km of roads in the city. This operation required the allocation of 1.2 billion centimes in credits by the municipal council.

After visiting the Al Hamri Nursery, which is operated by the Water and Forestry Service and has produced thousands of shrubs, the minister laid the foundation stone for construction of the municipal cultural complex, which will cover an area of 1,200 square meters and hold 500 people. The complex will cost an estimated 500 million centimes.

The festivities in celebration of Independence Day were marked by a reception honoring Mohamed Fouitech, a pioneer in the field of Moroccan song. On the same occasion, Bencheikh, accompanied by the governor, distributed prizes to the winners on the "Mechouar" radio program and handed out gifts to handicapped individuals.

At the conclusion of those activities, the minister of public health inaugurated the new headquarters of the CIH (Real Estate and Hotel Credit Bank), which covers an area of 350 square meters and cost 500 million centimes to build.

### Ministers Launch Socioeconomic Projects in Sale

*92AF0182A Casablanca LE MATIN DU SAHARA  
in French 20 Nov 91 pp 1, 5*

[Article by MAP: "Various Social and Telecommunications Projects Inaugurated in Sale by Mohand Laenser and Mohamed Abied"]

[Text] On the occasion of the 36th anniversary of independence, Mohand Laenser, minister of posts and telecommunications, and Mohamed Abied, minister of handicrafts and social affairs, inaugurated and launched several projects in Sale on Monday in the presence of the provincial governor, Mehdi Alaoui.

As part of that event, Abied and Laenser visited the tax office in Sale, which has been renovated as part of the general treasury of the Kingdom's overall program for the nationwide restoration of tax offices.

The ministerial delegation also inaugurated a telephone exchange with a capacity of 3,072 lines and a third-class post office in Sidi Moussa that will provide all postal and financial services. The post office covers an area of 450 square meters.

Abied and Laenser also inaugurated a vocational training center (household management section) at the children's home in Sale. This is part of the program for strengthening social services and vocational training in the city. The center (which offers a two-year course of study) was built on an area of 1,120 square meters.

The ministers also laid the foundation stone for construction of an orphanage that will be provided with all the necessary social services.

In Hay Salam, the ministerial delegation inaugurated a telephone exchange with a capacity of 10,240 lines and equipped with the most modern means of communication. The project cost about 107 million DH [dirhams].

The delegation then visited the construction site of the headquarters of the Eighth Arrondissement in the Moulay Ismail neighborhood of Qariat Ouled Moussa. This project will be built on an area of 737 square meters.

In the same zone, the ministers visited the construction site of a mosque covering an area of 1,500 square meters. They also inaugurated a kindergarten that will be used by the children of tapestry workers.

The ministerial delegation also visited road construction sites in Qariat Ouled Moussa that are part of a project for restoring the village. The first phase of that project has already been completed.

#### Status of Country's Olive Production Assessed

92AF0183B Casablanca MAROC SOIR in French  
27 Nov 91 p 6

[Text] The production of olives in Morocco has recorded steady progress during the past 10 years. In fact, 352,000 tons were produced last year, representing an increase of 25 percent over production in the 1980-81 crop year.

Morocco has approximately 63 million olive trees, planted in a total area of 347,000 hectares. This represents half of the total area planted to fruit trees.

The distribution of the plantings of olive trees in Morocco is as follows:

The central region, with an area of 143,000 hectares and comprising the regions of Fes, Taounate, Taza, and Meknes.

The southern region, with 107,000 hectares and comprising the Haouz, Marrakech, the Tadla, Kelaat Sraghna, and Beni-Mellal.

The northern region, with 26,000 hectares and comprising the regions of Chefchaouen and Ouezzane. Other areas have been reserved for the planting of olive trees; these are principally near Tetouan, Oujda, Nador, and Ouarzazate and at Errachidia, it was announced Wednesday by Abderrahmane Ennili, director of the agricultural production service of the ORMVA [expansion not given] of Tadla, during an address delivered in Beni-Mellal in honor of the Day of the Olive in the province.

Ennili added that thanks to the efforts made to improve and modernize this sector, the production of olive oil in Morocco has recorded steady progress and currently has reached approximately 35,000 tons, of which 14 percent has gone to the domestic market. The production of table olives during the 1988-89 crop year totaled 70,000 tons, of which half was exported.

Ennili also stated that Morocco has 170 plants for processing olives, in addition to 37 other plants involved in the export of olives. Hence the dynamic role played by this sector of the economy.

#### Gharb Development Zone Situation Reported

92AF0186D Casablanca AL BAYANE in French 28 Nov 91 pp 1, 3

[Article by Mimoum Habriche: "UMA Assesses Country's Agricultural Situation"—first paragraph is AL BAYANE introduction]

[Text] The Gharb section of the Moroccan Farmers' Union [UMA], which is composed of growers from the provinces of Kenitra and Sidi Kacem, held a general meeting in Kenitra on Tuesday 26 November under the chairmanship of Mr. Ahmed Mansour Nejjai. The report that Mr. Nejjai presented on behalf of the bureau—as well as most of the speeches made by growers themselves—emphasized the obstacles holding back expansion of agricultural production in the Gharb and the deterioration of living conditions in rural areas.

In his report, Mr. Nejjai noted that the goal for agriculture is "national self-sufficiency in basic food commodities such as cereals, sugar, vegetable oils, milk, and meat." The project billed as "a million hectares of soft wheat," launched in the 1985-86 agricultural season, was an attempt to contribute to realization of that objective by means of positive steps taken to improve conditions for growers.

Among these measures, the president of the UMA cited large-scale distribution of choice seed, the granting of fertilizer subsidies covering 40 percent of the cost, advantageous terms for agricultural loans—which amounted to 1,600 dirhams per unirrigated hectare and 2,000 dirhams per irrigated hectare—and the establishment, at the start of the agricultural season, of a guaranteed price to the producer of 200 dirhams per quintal, along with the commitment to purchase the entire crop. Also, the dam-building policy has made possible the irrigation of 600,000 hectares of land throughout the country.

These measures quickly showed results. In fact, after the project was launched, the total amount of wheat-growing land grew from 1,035,000 to 1,200,000 hectares by the very next season (1986-1987), which led to production of 22,500,000 quintals of soft wheat, enough to meet 90 percent of the country's needs.

Significant progress has also been noted in sugar cultivation, Mr. Nejjai added, since sugar-beet and sugarcane production increased to 450,000 tons, enough to cover 65 percent of the country's sugar needs. And it is expected that all of Morocco's consumption—although among the highest [per capita] in the world—will be met by domestic production by the year 2000.

Sunflower production increased, in the space of a few years, from 40,000 to 160,000 hectares.

But "today the situation is very different," Mr. Nejjai continued, pointing out that prices "for most production factors such as fertilizer, chemical products, agricultural machinery, and manpower have shot up dramatically."

Actually, the government's change in policy has eviscerated the incentive program.

For example, the subsidy for fertilizers was reduced to 20 percent of cost and then eliminated entirely, which led to an increase in producers' costs that was aggravated by the soaring price of seed, which rose to 355 dirhams per quintal.

Mr. Nejjai observed that the government has increased the cost of fuel instead of lowering it, maintaining it at a high level despite the reduction in oil prices after the Gulf war. The UMA president said he was surprised agriculture did not get the same treatment accorded to the maritime fishing sector.

Agricultural credit was also discussed. "While 8-percent interest on short-term loans to finance the agricultural campaign may be reasonable, farmers believe the 11- to 12-percent rate charged for medium and long-term credits for purchase of agricultural machinery, construction of farm buildings, and planting of fruit orchards is excessive." The UMA is demanding a grace period and loan reschedulings over two or three successive years for farmers that have had very poor harvests or suffered from natural disasters. To its credit, the UMA has shunned demagogic demands for free agricultural credit,

insisting that "in normal times, growers should respect the commitments they have made to credit banks and other banking institutions."

During the general discussion portion of the meeting, many of those in attendance complained about the negative effects on their income of the liberalization of prices for agricultural inputs. But the problem most often cited by speakers was the cost of irrigation and the conditions imposed on growers to get access to water.

Currently, the price charged by Office of Agricultural Improvement bureaus is between 3,500 and 4,000 dirhams per hectare for sprinkler irrigation and about 2,000 dirhams per hectare for pipeline irrigation. This prohibitive cost is aggravated by the procedures of these offices.

One grower pointed out that fees must be paid in March or April, at a time when farmers are being hit by harvest expenses, even though they are not paid until June or July.

Many speakers deplored the fact that water drained from rice paddies is simply discharged, because the Office of Agricultural Improvement refuses to allow its reutilization, wrongly imposing onerous fines for violation of this restriction.

Delays in provision of water and service interruptions without advance warning to growers were mentioned as further hindrances to expanded production that also damage producers.

It is clear there are problems in the distribution of irrigation water, the critical importance of which was underlined by one farmer who said: "We are in an irrigated region, and we have to wait until January to know whether it is going to rain!"

However, though the grievances were couched in polite terms, they raise the question whether the state alone is to blame—or whether other spheres have not encouraged it to reduce incentives to agriculture. These questions merit further investigation.

#### Socioeconomic Projects for Fes Wilaya Discussed 92AF0183A Casablanca *LE MATIN DU SAHARA* in French 29 Nov 91 p 4

[Text] (MAP)—The "Open Doors" Days of Studies on city planning and housing were inaugurated Monday at the lecture hall of Fes Wilaya under the chairmanship of M'hamed Dryef, wali of Fes and governor of Fes-Jdid Dar Dbibegh.

Organized by Fes Wilaya, these Days of Studies on city planning and housing will conclude this Friday, 29 November. They will enable the participants to evaluate what has been accomplished in respect to housing, to establish a diagnosis of the various problems involved in

city planning, and to consider measures capable of ensuring the rational and harmonious urban development of Fes Wilaya.

During the inaugural meeting, M'Hamel Dryef delivered an address in which he analyzed the objectives assigned to the "Open Doors" Days of Studies on city planning and housing, investments, equipment, the environment, and the security of Fes and drew up the balance sheet on the major accomplishments with respect to the infrastructure since the creation of Fes Wilaya in January 1991.

Dryef explained that the Days of Studies concerning the wilaya are part of the program of frank and constructive coordination and dialogue on all questions relating to the socioeconomic development of Fes Wilaya and on the outlook for the future.

After declaring that the progress of the city of Fes is a collective responsibility, the wali quoted excerpts from the brief address delivered by His Majesty King Hassan upon receiving the members of the Fes Provincial Assembly on 4 April 1978 at the Royal Palace in Fes. In his address the king took note of "the special, if not exceptional, characteristics of Fes Province in the sectors of industry, agriculture, and tourism," and advocated "coordination of these resources and potentials" within the framework of a systematic plan in order to "ensure the complementarity of the component elements and resources of Fes." In the same vein, Dryef cited excerpts from the Royal Letter to the Government of His Majesty the King urging it to make the security of the city of Fes "one of its priorities."

Dryef went on to tell of the major socioeconomic projects carried out since the creation of Fes Wilaya. He expressed the view that the time has come to draw up the balance sheet and have a sincere, frank, and honest debate—within the framework of these "Open Doors" Days—concerning the outlook for the future, with a view to materializing the aspirations of the people of Fes for progress and prosperity.

#### Drinking Water Until Year 2010

In the area of administration, Dryef cited the creation of Fes Wilaya, with three prefectures and one province, and the creation of eight administrative districts within the framework of the "material and moral" rapprochement between the administration and the citizenry.

He then spoke of the plan for the future subdivision of communal administrative districts that is designed to consolidate the process of decentralizing and improving local administration, while anticipating the creation of new police departments in order to strengthen security.

He reported on the creation of the Agency for the Urban Development and Security of Fes, which is designed to control the urban development of Greater Fes, and on the creation of the Agency for Reduction of the Density and Rehabilitation of Fes (ADER), which is designed to

reduce the population density of the Medina quarter of the city and strengthen its infrastructure.

With respect to housing, the wali of Fes spoke of the operations of relocation or reconstruction in the districts of Bensouda Faraji and Kaf El Azba, stating that these projects—for which the government has provided a subsidy of 57 billion centimes—involve a population of 200,000. He took the opportunity to express his thanks to the ministers of Housing and Finance for the understanding they have showed for the urban problems of Fes.

Turning to the subject of the highway infrastructure, the wali of Fes reported the start of work on the first section of the network of peripheral bypasses and arterials designed to alleviate traffic and beautify the points of entry to the city.

He took the occasion to express his gratitude to the Ministry of Public Works, Vocational Training, and Cadre Training for the great interest it has shown in the highway infrastructure of Fes by allocating to that sector a budget of 9 billion centimes. He also praised the action of the municipal council of Fes, which has arranged for an FEC [expansion not given] credit of 6 billion centimes to improve the city's road system in coordination with the highway programs of the Ministry of Public Works.

On the subject of urban transit, the wali of Fes stated that the rolling stock of the RATF [expansion not given]—which in January 1991 consisted of 90 buses—now numbers 150 vehicles. This fleet will soon be augmented by 20 new and 30 used buses to meet the increasing requirements of the population.

With respect to drinking water, the wali was pleased to report that the city of Fes experienced no cutoff of water during 1991, and emphasized that thanks to the joint efforts of ONEP [National Drinking Water Office] and RADEF [expansion not given], Fes' drinking water problem has been solved.

In this connection he also spoke of the large-scale joint ONEP-RADEF [expansion not given] project—to be financed by a credit of 63 billion centimes—which is designed to meet Fes' requirements for drinking water until the year 2010.

#### Green Belt Around Fes

He also took the opportunity to praise the efforts made by Mohamed Hassouni, regional representative of ONEP; Abdellatif Berrada, director of RADEF; and Driss Barakat, director of RATF, to solve the problems relating to drinking water and urban transit.

Dryef also reported on the projects completed in the P and T [Postal Service and Telecommunications] sector with the creation of two subdistributors, the installation of 52 call boxes, the creation of branch post offices, and other equipment, for an overall investment of 25 billion centimes.

Turning to the electric power sector, the wali reported the introduction of electricity to many outlying quarters of Fes and Sefrou—and to a number of rural areas—for a total investment of 40 million dirhams.

Addressing the issue of environmental protection, M'hamed Dryef reported on the project for creation of a green belt around the city of Fes. The project is designed to give the metropolitan area an appropriate environmental appearance, and in this way to satisfy the requirements of the population for green space and areas of vegetation.

He stated in this connection that the master plan for the plantings calls for 18,000 hectares to be planted to fruit trees and ornamental trees over a period of five years.

He also cited the projects for developing a 200-hectare park at Oued-Fes at a cost of 22 million dirhams, and also a 200-hectare park at Dhar El Mehratz at a cost of 34 million dirhams.

In this connection, the wali of Fes asked for the cooperation of all the public services—and of the entire population—of Fes in the effort to carry out this large-scale "green" project.

In conclusion, Dryef acknowledged that the road ahead is a long and difficult one, and invited the entire population to mobilize and work together to restore to the historic city of Fes its luster of yesteryear.

For his part, the president of the Fes Municipal Council, Filali Baba Aderrahim, praised the initiative taken in organizing the "Open Doors Days" to permit a frank and sincere exchange of points of view concerning the problem of city planning and housing—a problem that is a source of concern for everyone.

He insisted that the organization of these Days of Study represents a milestone in the process of integrating the University into its regional environment, and cited in this connection the decision on the part of the Municipal Council to conclude a cooperation agreement with the Sidi Mohammed Ben Abdallah University in Fes.

Filali Baba declared that the study of a problem as crucial as housing requires community participation and collective responsibility. He then proposed the creation of an Advisory Council on City Planning and Housing to study ways of remedying the situation and developing the housing sector in Fes.

For his part, Amal Jellal, rector of the Sidi Mohammed Ben Abdallah University, reiterated the complete willingness of the University to cooperate with Fes Wilaya in the area of socioeconomic development and thereby to become integrated into its regional environment.

In his turn, Miloud Glibi, director of the Agency for the Urban Development and Security of Fes, gave a comprehensive overview of the urban development of Greater Fes, while Mr. Assou, regional director of housing, told of the participation by departments of the Ministry of

Housing—such as ERAC [Regional Institution for Planning and Construction], ANHI [expansion not given], and SNEC [expansion not given]—in the campaign against the shantytowns and unsanitary housing in Fes.

The representatives of the Order of Architects' and of the Real Estate Developers Association also spoke, expressing their views concerning urban development in Fes.

The opening ceremony was attended by the governors of the prefectures of Fes-Al Madina and of Zouaghha-Moulay Yaacoub, Said Al Madkouri and Mohamed Daoudi, respectively; by the governor of Sefrou Province, Mohamed Amghouz; by the secretary general of Fes Wilaya, Mustapha Madi; and by various other civilian and military leaders.

## SAUDI ARABIA

### Japan To Open Trade Office in Riyadh

92AE0116B *Riyadh AL-RIYAD* in Arabic  
25 Nov 91 p 19

[Article by Muhammad al-Bassam: "Al-Dabbagh to AL-RIYAD: Frank and Successful Meeting; JETRO Will Open Office in Kingdom; Promoting Trade and Investment Cooperation Between Two Countries; Saudi-Japanese Businessmen's Dialogue Concludes Meetings"]

[Excerpts] The fourth meeting—the final session—of the Saudi-Japanese Businessmen's Dialogue was held in Riyadh at noon yesterday within the context of the working plan of the Saudi-Japanese Joint Committee. [passage omitted]

The guests emphasized in their words their unanimous support for greater cooperation between Japan and the kingdom, and said that they were encouraged by the cordial and frank opinions exchanged between private sector businessmen with the aim of promoting trade and investment cooperation between the two countries. [passage omitted]

A number of Saudi participants also expressed their definite wish to see more Japanese firms involved in the future in the kingdom's investment projects. [passage omitted]

The committee agreed to hold the fifth Saudi-Japanese Businessmen's Dialogue session in Tokyo in the fall of 1992. It has been proposed that the Guidance Committee hold its meeting early in 1992, at the same time that the Saudi-Japanese Joint Committee meets officially.

The Saudi-Japanese Businessmen's Dialogue concluded with a number of recommendations, including the following:

"The Japanese International Development Organization's [JIDO] efforts to determine specific investment

projects are greatly appreciated. We hope that these efforts will lead to tangible results in the form of vital joint projects in the areas of medical products, food processing, agro-industries, petrochemicals, and minerals. The committee also notes with complete satisfaction that JIDO's negotiations on more than three projects have reached an advanced stage.

"The Japanese side has pointed out that when any of these projects are ready for implementation, the organization may contribute to them financially, along with other Japanese investors.

"The proposal to establish an office for JETRO [Japanese External Trade Organization] in Riyadh for the purpose of developing investment has been welcomed as another positive step that contributes to more joint projects between the two countries. The meeting supported establishing this office and expressed the hope that early positive results will be accomplished in this regard."

The successful accomplishments, the expansion plans for the two existing giant petrochemical projects, and the possibilities of building new projects in oil refining and other areas were welcomed by both sides by virtue of their being new evidence of increased cooperation between the two countries in the industrial sector.

Participants in the meeting acknowledged the tax problems that Japanese investors face in Japan in connection with investment in Saudi Arabia because of the lack of a tax agreement between the two countries. Moreover, the meeting recommended that private sector businessmen ask both governments to take steps to conclude such a tax agreement as quickly as possible.

The Saudi side expressed its deep appreciation for the position Japan took during the Gulf crisis and for Japan's material and moral support for the UN campaign to liberate the Kuwait.

The Japanese side expressed its appreciation for the kingdom's policy of increased oil production to make up for the shortfall resulting from Iraq's invasion of the State of Kuwait.

The two sides discussed the possibility of establishing joint projects in third world countries and agreed that this issue merits further examination. [passage omitted]

In a statement to AL-RIYAD, 'Abdallah al-Dabbagh, secretary general of the Chambers of Commerce Council, asserted that the meeting between the two sides had been frank and successful. At the meeting, emphasis was put on the need to increase the Japanese businessmen's investment projects in the kingdom, especially in the industrial area.

Al-Dabbagh noted that good spirit prevailed at the meeting and that, as a result of the previous meeting held in Tokyo in 1989, the Japanese side has made contacts with the kingdom's businessmen. As a consequence, negotiations with Saudi business partners are about to be

completed on three industrial projects. This is a good step. Moreover, JETRO will open another office, whose main task will be to promote Japanese investments in the kingdom.

As to the difference between JETRO and JIDO, al-Dabbagh said that JETRO is interested in promoting Japanese investments in the kingdom, whereas JIDO contributes to the capital. [passage omitted]

#### Low Interest Rates Abroad Create Surplus Liquidity

92AE0083A London AL-SHARQ AL-AWSAT in Arabic  
9 Nov 91 p 9

[Article by Salah Sindi]

[Text] The trend among a growing number of major Saudi companies to increase their capital and the investors' rush to subscribe to new share issues has generated a tremendous cash liquidity in the Saudi market.

Economic experts and bankers said this liquidity was largely the result of the repatriation of billions of dollars that individuals transferred abroad during the months of the Gulf crisis and, prior to that, the Iraq-Iran War. With stability returning to the area and with the general economic revival, particularly in the industrial, commerce, and services sectors, the climate of confidence in local investment has been boosted. This has encouraged investors to bring back the capital which they took abroad, particularly during the last months of last year, prior to the Gulf war.

Bankers said that reversal of the direction of the flow of capital (heading inward) is clearly reflected in Saudi banks' budgets, which have shown a large increase in clients' deposits, in some cases reaching 40 percent compared with last year.

In addition to the remarkable improvement in the local economy and the restoration of the climate of confidence, bankers believe that the increasing risks in world stock markets and the drop in interest rates in most of the industrial states has enhanced local investments' attraction at the foreign investments' expense.

An official at al-Riyadh Bank said the coincidence of the drop in the estimated returns on foreign investments with increasing risks has prompted many investors to return their capital to the local market, especially in view of the economic and political stability that the area has not experienced in a long time.

He said that liquidity in the market began improving gradually following the end of the Gulf war, reaching its peak in the fourth quarter of this year. This is evident in the record activity of the stock market, which has led to a sharp rise in most of the stocks in circulation.

One investor said the present liquidity reflects the country's need for new investment channels, such as creating

new joint stock companies that would contribute to absorbing the surplus liquidity.

He expressed his doubts that increasing the capital of joint stock companies would lead to absorbing the surplus liquidity in the market, which some analysts estimate at about \$40 billion.

Stock broker Husayn Mustafa says in this regard that the great rush to subscribe to "Saffola" shares (the 1.2 million shares oversubscribed 12 times) and the great demand for applications for capital increase shares of al-Riyadh Bank confirms that large capitals are searching for new investment fields.

Stock market dealers cite an unconfirmed report that a Saudi businessman offered to buy all the capital increase shares due to be offered for public subscription, but al-Riyadh Bank turned down the offer because it would be depriving a large sector of investors of participating in the subscription.

On the other hand, it is observed that the attraction of the commerce sector, which was the traditional sector for Saudi investors, has lessened in favor of the services and industrial sectors, in view of the expected great growth in them.

While sales by companies operating in the commerce field dropped from 15 billion Saudi riyals to 11 billion riyals; that is, 26 percent, with the assets and investments in this sector dropping, industrial sector sales increased from 60 billion riyals last year to more than 80 billion riyals this year, that is, a 33.3 percent increase.

It can be said that the drop in the commercial sector's sales could be attributed to the severe recession that the markets experienced in the first half of this year during the war for the liberation of Kuwait. However, the recession was not compensated by the great increase in the commercial sector during the second half of the year. On the contrary, the major part of the local industries continued to work at maximum capacity because of the additional demand by the coalition forces and the insusceptibility of a large number of industries (food, for example) to fluctuation of demands. The success that the industrial sector achieved despite the Gulf crisis is one of the reasons for the increasing demand for investment in this sector.

#### **Economist Claims Tragedy Might Befall Stock Market**

92AE0083B London AL-SHARQ AL-AWSAT in Arabic  
13 Nov 91 p 10

[Article by Dr. 'Abd-al-'Aziz Muhammad al-Dakhil: "Issues Raised in Saudi Stock Market"]

[Excerpts] In an article published in the newspaper AL-RIYADH on 2 October 1991, headlined "Reflections on the Saudi Stock Market," I stated that the present structure of the Saudi stock market might not be

able to support the soaring prices of companies' stocks, and warned that this artificial rise in the stock market, whose activities are controlled by a handful of market investors, might drop with such force that the market's present structure will not be able to tolerate it. As a result, the structure would collapse, the prices would tumble, and many small investors who pursued this route because it is the only one available to them, and who paid no attention to its risks and pitfalls on both sides, would suffer. The lights along this route are out and its watchmen are absent.

As I was watching the process of subscription to the Saffola Company shares on Friday, for which all the resources have been mobilized and extensive time has been devoted as if it were the flood, the phone rang, and at the other end was the voice of an old woman that sounded as it were coming from a bedouin goathair tent in the depth of the desert or on a mountain slope. She asked me with a voice that brought this image before me: "This thing they call 'salafulha', what is it and how much does it cost?" I had forgotten Saffola and its flood, and so I searched my memory. [passage omitted]

This situation has social and economic aspects. In this article I do not intend to discuss the social aspect. As for the economic aspect of this situation, which we are viewing from a narrow and limited angle through this article, it has prompted me to "gather my faculties," as the popular saying goes, and to take a deep breath after a journey in time in the midst of the desert with this lady that is trading in the Saudi stock market.

I asked myself: Have the frontiers of the Saudi market extended that far?

Has the list of traders in the stock market extended so much as to include this lady? As far as I am concerned the situation is both happy and tragic.

It is happy because it demonstrates that the desert and village inhabitants react to contemporary economic institutions and their mechanisms. This is a boost for social and economic modernity.

It is sad because I am afraid for that old lady and for thousands of other people that the bottom of the stock market might fall out from under their feet when speculators stop buying, prices stop climbing, big and small stock brokers begin offering their shares for sale, and prices begin to drop. As prices drop, small dealers in the stock market, like that old lady, will offer their shares for sale for fear that prices might drop further. The race between sales and the declining prices will go ahead until the shares reach only a fraction of their purchase price. At this point, a catastrophe would befall a large number of middle- and limited-income people, as well as a few major dealers who were fond of the game they created and which would burn them.

Those trading in the Saudi stock market are divided into two major categories:

The first category is the major traders in this market. They are a handful, but their funds are extremely vast. Each one of them is interested in the stocks of one or several companies. They divided the market among themselves, just as estate dealers divide an uncultivated land at the peripheries of a city. Every one of those dealers has his own small outfit and information system that provides him with information on the companies in which he is closely or distantly interested. These people greatly influence the stock market prices, and direct the market toward serving their future profits.

The second category is the common people of various social and economic classes. They include men, women, small and mid-size merchants, employees, students, workers, and drivers who trade in the stock market. They buy shares today because they saw with their own eyes or heard that share prices are rising steadily. They intend to sell them the following day or days at a price higher than the purchase price. Is the purchase price relevant to, or commensurate with, the share's book value?

What makes the prices rise steadily and quickly? Is it the real market or the market monopolized by a handful of people who control the market?

These questions and others do not cross their mind, nor can they imagine them. The general public's eyes are focused on the sky watching the prices soaring high above. In the meantime, they are waiting for that beautiful dream that will come after a few days or weeks when they will sell what they bought at prices that will bring them great profits.

In my aforementioned article, I explained the reasons for the deficiency in the structure of the Saudi stock market and the bases on which the market should be founded. In today's article, I will highlight two of those matters which I believe are at the center of what we are seeing today in the stock market theater, which might end with a tragic scene unless the curtain comes down before the final act. These two basic matters are: the lack of control on the market and its operations; and the lack of information on companies and their administrative and financial status.

With regard to control, any stock market needs an administration that is conscious, conversant with the market mechanism and its operation, and well-informed about the movements of the forces affecting and influencing the market. It should keep records; follow up purchase and sale operations; watch the policies of the centers of monopoly and their operations, which aim at influencing prices. It should watch every suspicious movement involving passing data and information to a particular party and withholding it from the market. This controlling administration should include a number of company representatives and representatives of institutions operating in the market, experts, and government representatives. They should all be known to be honest,

knowledgeable, and impartial persons who have no links whatsoever with the market operations and have no personal interests.

With regard to information concerning companies and their administrative and financial position, this represents the light that illuminates the road for the dealers, particularly the small ones, in this market. They would make their decision to buy or sell closer to the economic and financial realities of the companies. This, of course, will not entirely eliminate the element of risk, for every investment action is bound to involve a certain amount of risk, but they would reduce or eliminate the risk of walking in the dark because of the lack of facts and data. The old bedouin woman who bought and sold and bought and sold again has made a profit in the stock market that she did not see or touch. In a short time, her 10,000 riyals became 15,000 riyals. Perplexed, she said to me: "Shall I believe you, my son, or believe the money which I have in my hand?" "My dear old lady," I told her, "I do not possess the magic of the market nor its materialistic, instantaneous, and realistic logic. But I also I do not carry in my chest its giant heart. As it stands now, the market, my lady, is like a predatory lion that has been set free. He might pounce on you, and I am afraid that your money will be wiped out by the deluge. I will be sorry for you, but the market has no heart for sorrow nor eyes to cry." [passage omitted]

The conversation between the old lady and me stopped when a young Saudi man whom I knew to be a brilliant engineer who is not fond of philosophy or semantics. He loves the ruler and the computer, and everything for him is straight lines and right angles. His realism has left no room for the fancy.

After having explained to him my problem with the old lady in terms of straight lines and angles, he said: "My honorable brother, we now understand the problem, what is the solution?"

I looked at my friend's face, but I did not see those vast expanses, mountains, hills, and valleys which I roamed in the company of the bedouin old lady. I realized that I should enforce a strict "regime" on my imagination in order to shape it like a ruler that is clearly defined from beginning to the end. I took a deep breath and told him that this is the solution:

First: The ministry concerned should invite all leading stock brokers and shareholders to a general meeting in order to discuss the current market prices, just as it is usually done when prices of rice, milk, sugar, or any other basic commodity go up. The ministry should tell them to stop hoarding shares in their safe [deposit] boxes, which is causing commodities to disappear from the market and share prices to climb.

Second: The ministry concerned should ask leading stock brokers who cornered tremendous quantities of shares and withheld them from the market, thus causing demand to increase and prices to rise, to open their boxes in measured and gradual steps and release some of

those shares into the market so that supply will increase and prices will return to normal.

Interrupting me, my friend said: "Where is your free economic system and your theories and views about limiting state interference in the public sector, with which you have been "pounding us" in past years? How do you allow yourself, under a free economic system, to call for the ministry or any government authority to oblige the stock brokers to sell the shares they bought with their own money? Isn't this wrong, in the view of free economists?"

"You are right, my Arab brother," I said to my friend. "It seems that you understood economic freedom with an absolute engineering concept. Economic freedom, my friend, does not mean that the minority should dominate the majority, or the private take precedence over the public in the market.

"Economic freedom does not mean that a group of merchants should monopolize the supply of a certain commodity in the market and control its prices. Economic freedom does not mean monopolizing information on commodity prices by an individual or a group and withholding it from the rest of the market dealers. Economic freedom means competition, which means a large number of merchants competing, and not collaborating or conspiring in order to hamper the market trade.

"Economic freedom is harmed, its system is distorted, and its existence is nullified by a group of merchants monopolizing supplies, prices, and movement of commodities because of their powerful positions in the market, their strong relations, and their invincible fortresses.

"Here, my friend, economic freedom becomes monopoly and economic domination by a group of people who possess the material and moral means to tighten their grip on the market and to exploit it to boost their profits and interests at the public expense. Economic freedom, my friend, is not contradictory to amassing wealth, big or small, but it is contradictory, in letter and spirit, to establish monopolistic positions in the market and use them to amass wealth, because this hinders economic freedom, which provides a wide-open door to all traders to participate in the market and to obtain a share of its profits. Economic freedom also provides an opportunity to all consumers, big and small, to differentiate freely between one commodity and another and one merchant and another.

"Monopoly is a hindrance to economic freedom, which seeks to distribute profits among all merchants and to break the siege on all consumers. When a merchant or businessman abuses the economic freedom system and turns it into a close, monopolistic system, the market mechanism becomes faulty and stops working. Here, my friend, the 'law' must intervene in order to repair the mechanism and restore freedom and competition to the economic system. This can be achieved by eradicating monopolism and destroying the castles and walls that have been built inside the market, thus partitioning it,

and directing the flow of commodities and materials into special channels and trenches. Thus, prices fluctuate in disharmony with the market dealers' demands, but in harmony with the desire of a minority that took up fortified positions in the market and operates behind the scenes.

"Monopoly wipes up all the virtues and advantages of economic freedom. What we see today, Mr. Engineer, is not a free economy but a bitter economy."

My friend saw that I became emotional. "Settle down," he said. "Have pity on me. I am not one of those. I wish I could find the means that would enable me to lead a dignified life, not monopoly and its craft."

I said, "Pardon me, my friend, I am aware of the situation in which you and many like you, small merchants and free professionals, are. If we examine this situation, we will find that some of its reasons are the existence of a monopolistic bottleneck that has reduced the amount of water flowing to the extremities."

My friend said, "Do you have any more to say?" "Yes," I said. "I haven't finished yet. I have mentioned two points, but two others remain:

"Third: The party concerned should break the monopoly on the stock market by a handful of merchants, and prevent them from hoarding stocks with the aim of imposing the prices they wish. It should also provide the opportunity for the establishment of institutions governed by specific laws, that would, in an effective and responsible manner, contribute to transactions in the stock market, in both supply and demand.

"Fourth: The public sector owns millions of shares in companies in which it has major shares, or companies whose shares were never floated in the market. We wish that stocks of these companies would be offered on the market so that its temperature will drop and its size grow bigger. Speaking of wishes, we wish the public sector would turn most of its institutions into stock companies owned and managed by the public, for this would be in the interest of these institutions and for the good of the citizens and the country." [passage omitted]

#### Deputy Transportation Minister Discusses Road Network

92AE0116A Riyadh AL-JAZIRAH in Arabic  
20 Nov 91 p 15

[Article by Ahmad al-Shuraydi: "Nasir al-Sallum, Transportation Ministry Undersecretary, to AL-JAZIRAH Supplement: Government Has Spent 120 Billion Riyals To Build More Than 121,000 Km of Modern Roads; Number of Vehicles in Country Near Five Million; Traffic Safety Pivotal in Designing, Building, Operating, Maintaining Roads"]

[Excerpts] Riyadh—[passage omitted] Nasir al-Sallum has pointed out that the kingdom's road network is more than 121,000 km long and that it has cost the government an investment of nearly 120 billion riyals. [passage omitted]

#### Road Construction Development in the Kingdom of Saudi Arabia

The past 20 years of the kingdom's history have witnessed concerted and ambitious activity in the area of construction and development, including development in the agriculture, industry, health, education, housing, social welfare, transport, and communications sectors, plus other sectors. Roads lead these accomplishments by virtue of the fact that they are essential, inevitable, and a fundamental mainstay of development.

In 1372 Hijra (1953), the year in which the Ministry of Communications was established in the Kingdom of Saudi Arabia, the total length of roads in the kingdom was no more than 239 km, a very modest figure when compared with the vast area of land that the kingdom incorporates, which is a little more than 2.25 million square km, and over which hundreds—rather, thousands—of towns, villages, hamlets, and population centers are scattered, separated from each other by hundreds of kilometers and linked by no more than a few desert trails, which were not free of danger.

The first task of the Ministry of Communications was to alter this situation and to build a network of paved roads to link the kingdom's main provinces with each other and to serve the largest possible number of towns, villages, and population centers in the various parts of the kingdom.

To accomplish the historic objective of building this network, there had to be sound planning and vigilant studies adopting the latest methods for this. Moreover, such a mammoth accomplishment couldn't have been made in one phase. The task was not easy and the need was urgent. The country is vast and far-flung. Its various provinces were isolated from each other and the means of communication were few.

Thus, the Ministry of Communications began to conduct concerted and comprehensive preliminary studies, which included gathering data, familiarization with needs, and determining priorities. After analyzing the data, it was decided to accomplish the objective according to the following three phases:

First phase: Link the main provinces by a network of one-lane, asphalted roads which can be enlarged and developed in the future, making sure that they pass through the largest number of villages and population centers.

Second phase: Develop and expand this network by altering some of its roads into two-lane expressways, depending on the requirements of transport and traffic

activity, and also build secondary roads to serve the towns, villages, and population centers located on both sides of the main highways.

Third phase: Develop the level of the services offered by this network and provide the network with security. Work to implement the first phase was started. A determination was made on the roads needed urgently to link the eastern region on the Arab Gulf with the western region on the Red Sea (1,400 km) through the central region (Riyadh) and to also link the northern region on the Jordanian border with the southern region on the Yemeni border (1,700 km), in addition to linking al-Qasim Province, Ha'il, and the southern region, plus other major highways to link numerous other areas.

When consultants completed the studies and blueprints, work was launched to carry out the program. The entire kingdom turned into a workshop to lay the foundations, for the first time ever, for a modern and sophisticated road network in the Kingdom of Saudi Arabia.

With the onset of 1390 Hijra (1970), the year of the first thrust for development in the Kingdom of Saudi Arabia, the total length of asphalted roads amounted to 8,500 km, in addition to nearly 3,500 km of paved country roads designed to serve hundreds of villages and population centers in various parts of the kingdom.

#### More Than 121,000 Km of Modern Roads

The government then drafted its development plans to build the main infrastructure network, which covered all sectors, led by roads and transportation. The Ministry of Communications built thousands of kilometers of one-lane and two-lane expressways throughout the four development plans implemented by the government and started in 1390 Hijra (1970). These thousands of kilometers have created this modern road network that we see in our country today, which has a total length of 121,516 km of roads, divided as follows: 4,400 km of expressways; 33,751 km of divided roads; 80,365 km of paved country roads.

This network has created a modern and direct land link between all of the kingdom's main provinces and its towns and villages. The network has also provided a direct service to hundreds of towns, villages, hamlets, and population centers throughout the kingdom. Thus, it has become possible to travel quickly, safely, and comfortably from the eastern to the western and from the northern to the southern parts of the kingdom. [passage omitted]

#### SUDAN

##### Aid Cut Because of Islamic Orientation

92AF0214B Khartoum SUNA in English 19 Nov 91  
pp 6, 7

[Text] Argo, Dongola Province, Nov 19 (SUNA)—Chairman of the Revolution Command Council (RCC)

General Omer El-Beshir has confirmed that the Revolution is embarked on mapping out a ten-year strategy for the development of the Sudan.

Addressing the leaders of the executive and popular work in Dongola Province in the Northern State Monday evening, Gen. El-Beshir underlined that the ten-year strategy concentrates on linking all the states of the country with a network of asphalted roads, doubling the power generation to cover 90 percent of the Sudan and expanding the water and education services.

He disclosed that an agreement was reached for setting up a Sudanese-Arab company to work at the sphere of roads' construction in the Sudan. The company, said Gen. El-Beshir, will carry out implementation of Khartoum-Shendi-Atbara-Haya highway within two years.

He indicated that Al Selain-Dongola-Al-Gobolab-Omdurman road will receive due concern from the government.

Gen. El Beshir said it is unlogic that the Sudan enjoys sufficient manpower, 200 million of arable lands, vast water resources, minerals, oil wealth, and in the same time lags behind amongst the poorest five countries in the world.

He accused particular countries of hating to see Sudan develop and of cutting aid because of the Sudan's Islamic orientation and its resort to the Arabicization of education curricular.

He emphasized that the Sudan will never retreat or deviate from the Sharia [as published] path for the sake of foreign relief or aid.

Gen. El Beshir has stressed that the freedom of speech is much guaranteed in the Sudan than in the Middle East countries.

He said the size of the foreign aid to the Sudan was 50 percent before eruption of the National Salvation Revolution, adding that the Revolution programmes are now being implemented—without dependence on foreign aid.

### Jihad Call Organization To Be Formed

92AF0214D Khartoum SUNA in English 20 Nov 91 p 9

[Text] Khartoum, Nov 22 (SUNA)—Member of the Revolution Command Council Col. Mohamed El-Amin Khalifa Acting Head of the Political Committee announced the state adoption of a project for supporting martyrs families.

Addressing a ceremony held here Friday on the second anniversary of the People's Forces added that the project is complementary to Jihad (Holy War) and considered a means for psychological and spiritual preparations.

Col. Khalifa stressed the need for building to Jihad calling benefactors to extend kind and spiritual help.

Commander of the People's Forces said that the forces have determined to clear fogs from noble values.

He announced formation of the Jihad Call Organization.

A mass marriage for 32 couples of the peoples forces were made.

### Jihad Declared in Kadugli Province

92AF0214C Khartoum SUNA in English 20 Nov 91  
p 12

[Text] Al Obeid, Nov. 20 (SUNA)—The declaration of Jihad in Kadugli Province recently was met with huge popular response as registration centers opened in Kadugli witnessed large turn out.

Kadugli Province Commissioner Lt. Col. Mohamed Al-Tayeb Fadl, speaking to SUNA, said the people of the Province showed full support to the declaration of Jihad which was necessitated by the national and religious duty.

He added that the measure was aimed at the unification of ranks, boosting national unity, aborting plots by the 5th columnists and supporting the Armed Forces.

The Commissioner hailed the citizens of his province, saying that they are fully convinced that the rebellion movement, which suffers from splits, is nothing but a subversive movement.

### Government Cracks Down on Tax Evasion

92AF0214E Khartoum SUNA in English 20 Nov 91  
pp 4-6

[Text] Khartoum, Nov 20 (SUNA)—Finance Minister Abdel Rahim Hamdi has stressed that the decision taken by a joint meeting of the Revolution Command Council and the Council of Ministers recently on the formation of a committee to probe ways for reforming the public corporations doesn't contradict with the work of the Ministerial Committee assigned with determining the future of these corporations.

Speaking at a press conference he called here Wednesday, Hamdi explained that the two committees were of integrated nature and targetted one goal, that was the reformation of public corporations.

The Finance Minister pointed out that the sector of public corporations and companies provides employment for 115,000 people and contributed about 70 percent of the gross national product.

Hamdi gave the total number of the public corporations and companies at 200, noting that only 70 of them are under the control of the Ministry of Finance and Economic Planning.

These 70 companies recorded only 6 percent in investment returns, Hamdi said.

He explained that the Finance Ministry had attempted vainly to work out a unified budget for all public corporations due to the legal status of the corporations.

Hamdi went on to say that the Ministry then referred the matter to the legislative and executive powers in the country directly which gave the Ministry control over all public corporations and companies.

The corporations were also obliged to submit their budgets to the Ministry to allow it to monitor work in them and to be sure that their financial surpluses are well utilized.

The Finance Minister declared that a decision had been made that no public corporation or company would receive financial support from the state as of the start of the next fiscal [as published] and that all of them should operate on commercial bases.

"Any public corporation or company who fails to rely on itself will collapse completely," the Minister emphasized.

Meanwhile, Hamdi declared that his Ministry would continue to take measures designed to protect public money.

He told the press conference that new tax estimations for many of the private commercial companies and enterprises by the Tax Evasion Control Unit has showed the existence of tax evasion by some of these enterprises.

He said that tax settlements were concluded with the said enterprises, yielding great revenues for the public treasury.

"The revenues collected by Khartoum Taxation Office during the past four months amounted to L.S.[Sudanese pounds] 80 million, compared to only L.S. 17 million for the same period last year," Hamdi said.

He warned that the government will not tolerate tax evasion, saying that whoever commit such a crime will be brought before law.

The Minister pointed out that any financer will be given a grace period of one week after tax revision to pay the tax otherwise a suit will be filed against him before a court of law.

Hamdi disclosed that a laboratory had been set up in Port Sudan to assist in combatting smuggling through the proper description of imported commodities to assist in the determination of customs rates.

### Government Packs Key University Posts

92AF0214A Khartoum SUNA in English 18 Nov 91  
pp 4, 5

[Text] Khartoum, Nov. 18 (SUNA)—The Chairman of the Revolution Command Council, Gen. Omer El-Beshir, Monday issued decrees relieving some Vice-Chancellors and deputy vice chancellors of national universities and appointing new others.

Those who were relieved from their posts were Prof. Mahmoud Musa, the Vice Chancellor of the University of Juba, Prof. Abdein Mohamed Ali, Deputy Vice Chancellor of the University of Khartoum and Dr. Taj. Eddin Fadlalla, Secretary General of the National Council for Higher Education.

The RCC Chairman, meanwhile, decreed the appointment of Dr. Ahmed Ali Al Immam as Vice Chancellor of Holy Quran and Islamic Studies University, Dr. Ali Ahmed Mohamed Babiker as Vice Chancellor of Omdurman Islamic University, Dr. Taj-Eddin Fadlalla Vice Chancellor of Kordefan University, Prof. Moses Mashar Vice Chancellor of Bahr Al Ghazal University, Mohamed Ahmed Al Shiekh Vice Chancellor of Juba University and Prof. AwadAbu Zaid Mukhtar as Vice Chancellor of Upper Nile University.

Gen. Beshir further decreed the appointment of Dr. Mohamed Osman Salih as Deputy Vice Chancellor of Holy Quran and Islamic Studies University, Dr. Dafalla Al Amin as Deputy Vice Chancellor of Omdurman Islamic University, Dr. Hassan Ali Al-Saouri as Deputy Vice Chancellor of Wadi Al Nil University and Prof. Mamoun Homaida as Deputy Vice Chancellor of the University of Khartoum.

Prof. Faisal Taj Deddin Abu Shama was appointed as Director of the National Council for Research.

### TUNISIA

#### Obstacles to Progress of Ports, Airports Discussed

92AF0194A Tunis LE TEMPS in French 28 Nov 91 p 3

[Article by Mouldi M'barek: "Ports and Airports: Progress Is Slow and Costly"—first paragraph is LE TEMPS introduction]

[Text] Mr. Mongi Safra, state secretary for commerce, yesterday opened the second day of the workshop on improving port and airport services that was organized by the Tunis chamber of commerce and industry....

Ports and airports, under pressure both to increase exports and continue the liberalization of imports, are called on to play a critical role in the nation's economic development strategy. But how can the efficiency of their freight handling operations be improved? How can capacity be increased while costs are kept down?

These are subjects the Tunis chamber of commerce and industry has addressed in a series of discussion and brain-storming initiatives. A one-day workshop in 1989, which brought together importers and exporters, port and airport authorities, and professionals in the sector, came up with a series of recommendations, some of which—such as the single pay-window system—have already been implemented.

According to Mr. Mongi Safra, state secretary for commerce, "progress in Tunisia's ports and airports is coming very slowly."

"I have tried to understand why some merchandise stays a long time in our ports and doesn't get to its destination. I took five cases at random and tried to determine what was to blame for the delay. Believe me, it was frustrating. Certainly, it was possible to assign responsibility in legal terms, but as a practical matter—that is, in terms of commercial practices—so many players are working in uncoordinated fashion that the cause of the breakdown is difficult to determine," Mr. Mongi Safra said.

According to the state secretary for commerce, there are a number of obstacles to improved management of our ports and airports:

- a single shipment of one kind of merchandise involves 10 different operators who work without coordination;
- the involvement of the state, which in some areas continues to increase to the detriment of the private sector;
- lack of coordination among the various operators involved;
- lack of training;
- the regulatory system, since parts of the juridical code date back to the colonial era;
- bureaucratic inertia.

All of these factors weigh heavily on our national economy. Hence the urgency and necessity of opting for:

- greater integration of operators, so their actions will be coordinated;
- a strengthened role for the private sector in managing ports and airports;
- administrative reform, which is now under way;
- faster movement on liberalization of prices and profits on goods and services.

"Our objective is to complete the adjustment of the economy in three years instead of five," the state secretary concluded.

Participants in the initial phase of the colloquium focused their presentations on four major areas:

- the operators and the regulatory code;
- simplification of procedures and an integrated data processing system;
- improvements in port management and the role of users;

- training and the emergence of new kinds of shipping specialists.

"The important thing now is to move into action," one speaker said, "because we've had all kinds of meetings to discuss the subject. At this point, everyone knows where the blockages are."

Including the state secretary, who listed all the factors that weigh so heavily on our national economy.

"So what are we waiting for?" he asked.

#### Funds for Expansion of Skanes-Monastir Airport 92AF0194B Tunis LE TEMPS in French 28 Nov 91 p 3

[Article by TUNIS-AFRICA PRESS AGENCY: "New Installations at Skanes-Monastir Airport"]

[Text] The sum of 50,000 dinars [D] has been allotted to finance the installation of fencing around Skanes-Monastir international airport. This project, to be completed before the first of the year, will be preceded by improvements to the airport's main entrance expected to cost D20,000.

In addition, 1992 will see expansion of the departure lounge, installation of more fire hydrants, and the building of two new taxiways to reduce congestion on current taxiways.

These projects, which will cost an estimated D4 million, were discussed on Tuesday at a working session attended by the governor of Monastir, Mr. Abdelaziz Chaabane, and the president and general manager of the Office of Airports, Mr. Hassine Chouk.

It should be noted that over the last six years the Skanes-Monastir airport has been furnished with new technical equipment and modern installations costing about D1.3 million. Improvements have included the building of a restaurant and several shops in the departure lounge, acquisition of 30 new baggage transport carts, and installation of 10 air conditioners in the passenger check-in area.

Mr. Hassen [as published] Chouk also announced that 1992 would also see the renovation and modernization of the radar system that serves Tunisia's various airports, at a cost of about D11 million.

It should be noted that traffic-handling capacity of Skanes-Monastir airport, currently estimated at 2 million passengers per year, will be increased to 3.5 million over the next three years, since the airport is now used for 60 percent of charter flights arriving in Tunisia.

## UNITED ARAB EMIRATES

### Central Bank Gets New Governor, Board Chairman

92AE0114A London AL-SHARQ AL-AWSAT in Arabic  
20 Nov 91 p 9

[Article by 'Abd-al-'Aziz al-Siddiqi: "Al-Hamar Likely To Enter Cabinet in Any Future Reshuffle; New Executive Board for UAE Central Bank; al-Marrikhi Surprise, al-Suwaydi Expected"]

[Text] In a step long anticipated by UAE [United Arab Emirates] banking circles, it was announced in Abu Dhabi that a new executive board has been formed for the Central Bank under the chairmanship of Muhammad 'Id al-Marrikhi, who succeeds Shaykh Surur Bin-Muhammad Al Nuhayyan, and that Sultan Nasir al-Suwaydi has been appointed Central Bank governor, to succeed 'Abd-al-Malik al-[Hamar].

The new executive board has been formed two full years after the end of the old Central Bank Executive Board's and former governor's terms.

Even though formation of the new executive board and replacement of the governor have been expected for a long time, the surprise is in the departure of Shaykh Surur Bin-Muhammad Al Nuhayyan, the Presidential Office chairman, who has held the position of Executive Board chairman since the bank was founded in 1980, and in the appointment of a new chairman unknown in banking circles, namely Muhammad 'Id al-Marrikhi, who headed the domestic and Arab department in the Abu Dhabi Investment Agency.

The new governor is Sultan Nasir al-Suwaydi, the executive chairman of the Abu Dhabi Commercial Bank. His appointment had been expected. AL-SHARQ AL-AWSAT had mentioned al-Suwaydi repeatedly in the context of its follow-up on the formation of a new executive board for the UAE Central Bank.

In the new structure, Jum'ah al-Majid, a very prominent businessman in the Emirate of Dubai, has been appointed as deputy chairman of the bank's executive board, succeeding 'Abdallah al-Qaz, who held the position in the previous structure.

A number of men from the new generation have been appointed as executive board members, including Dr. Muhammad Khalfan Khurbash, head of the Investment Department in the Ministry of Finance and Industry; Muhammad 'Ali Bin-Zayid, also from the Ministry of Finance; and Khalifah Nasir al-[Wahili] from the Abu Dhabi Investment Agency.

The new structure of the bank's executive board reflects the tendency embraced by the UAE Government a long time ago, namely, to give opportunity to the new generation of eligible university graduates and to redistribute the responsibilities within a broader segment.

It is not immediately known if 'Abd-al-Malik al-[Hamar] will hold any other official position. However, official sources have noted that the role he has played while holding his position in the past 10 years, especially in the area of job nationalization and in developing banking training programs, represents a major asset that makes him eligible to hold a new position at any moment. Some sources do not find it unlikely that he will enter the cabinet in any reshuffle that may occur in the coming phase, especially since some circles had mentioned him as candidate for the post of minister of education in the current cabinet.

### Manufacturers Said Not To Observe Law

92AE0114A London AL-SHARQ AL-AWSAT in Arabic  
10 Nov 91 p 10

[Article by 'Abd-al-'Aziz al-Sadiqi: "UAE (United Arab Emirates) Ministry of Industry: Manufacturers Do Not Observe Law; Permits Without 'UAE Control'"]

[Text] Abu Dhabi, AL-SHARQ AL-AWSAT—The United Arab Emirates' [UAE] Ministry of Finance and Industry has complained that domestic manufacturers do not observe the UAE industry law, even though 10 years have lapsed since the law was issued.

In a working paper submitted to a seminar on bolstering domestic industry, which was opened yesterday evening by Planning Department Deputy Chief Shaykh Sa'id Bin-Zayid Al Nuhayyan as part of the economic seminars organized by the Abu Dhabi Chamber of Commerce, the ministry cited a number of the types of violations, characterized as "a major, fundamental problem facing development of the UAE industrial sector."

A most outstanding example contained in the paper, submitted by Deputy Undersecretary of Industry Ja'far al-Fardan, is the "disinclination of manufacturing installations to observe the contents of the law on the impermissibility of establishing any industrial project or introducing any change into such a project unless the owner gets approval for the purpose in accordance with the provisions of UAE Law No. 1 of 1979."

In the working paper, al-Fardan says: "Even though the word of the law is clear, the reality is totally different, considering that the authorities in charge in each emirate continue to issue industrial permits in accordance with the emirate's local laws."

He noted that the Industrial Department of the UAE Ministry of Industry has tried to establish some sort of coordination in this area, but that the response has been narrow and that numerous manufacturers have continued to follow the system preceding promulgation of the law.

Al-Fardan also noted the problem of industrial registration as another manifestation of the existing violations. He has said in this regard: "Even though registration

rates have increased in recent years, this increase is not due to increased observance of the law, but because factories want to take advantage of the benefits of the GCC [Gulf Cooperation Council] countries' unified economic agreement, which permits the export of local industrial exports that realize an added value of no less than 40 percent. Because this benefit is not given to factories unless they are entered in the industrial register, some factories have rushed to register themselves out of the desire to get certificates of origin for the products they manufacture and, consequently, to benefit from the advantages of the neighboring Gulf market."

The Ministry of Finance and Industry undersecretary has warned that the coming phase "will witness a serious stance vis-a-vis those who do not observe the industry law," noting that open violations of the law are no longer acceptable now that more than 10 years have lapsed.

The undersecretary added: "The Industrial Department has not applied the penalties stipulated by the law in order to give industrial projects and factory owners the opportunity to put their affairs in order and implement provisions of the law."

In addition to the lack of observance of the UAE industry law, the Ministry of Industry working paper noted a number of other general problems, such as multiplicity of the officials in charge of industry, the absence of effective industrial planning, and the proliferation of small plants that turn out similar low-quality, high-cost goods.

The paper also noted the severe competition that domestic manufactured products face from imported foreign products, the presence of similarity and duplication of industrial projects, the absence of specialized scientific marketing methods, and the presence of idle production capacities, which increases production cost.

The problems also include narrowness of the domestic market and the long time between investment and profit.

After reviewing the industrial sector's various problems, the paper called for drafting an industrial plan with clear-cut features; for examining the question of protecting domestic industrial production in order to find out the most suitable means for enacting this protection; and for imposing strict control on imported manufactured goods to ascertain their compatibility with Gulf standards, so as to wipe out commercial adulteration, provided that the same standards are applied to domestic plants in order to ensure the consumer's interest and the reputation of the domestic industry.

The paper also called for examining the best means to bolster faltering industrial projects; for reviving the role of the Advisory Industry Committee stipulated by the law; and for confronting the inundation policy that some companies practice in the domestic markets with the purpose of eliminating national rivals, taking advantage of the free trade policy embraced by the UAE.

The Ministry of Industry paper also called for creating an independent authority to develop, enhance, and promote exports, to move in the direction of setting up complete major projects, to eliminate the obstacles and shackles impeding the export of local products to the GCC countries, to exert efforts to bolster the process of industrial cooperation at the Gulf level to overcome the problem of narrowness of the markets of each country, and to integrate production elements at the Gulf and Arab levels.

The paper also dealt with the real industrial situation by presenting statistics on the number of industrial establishments employing more than 10 workers.

According to these statistics, there were 737 registered industrial establishments by the end of last September. The Emirate of Dubai has the lion's share of registered plants, not including plants set up in the free [trade] zone in Jabal 'Ali. Dubai's plants amount to nearly 33.7 percent of the total number of plants, and it has 37 percent of the total number of workers employed in these plants. Statistics say this exceeds 54,000 workers.

The Emirate of Sharjah ranks second, with 33 percent of the registered plants in the UAE Abu Dhabi follows with 14 percent.

Metal products are the most distinctive products, followed by the chemical products and plastics industry; the yarn, textile, and ready-made clothing industry; and then the foodstuffs industry in fourth place.

In addition to the paper which was submitted by the Ministry of Finance and Industry, and which formed the backbone of the seminar, several parties participated with working papers. The UAE University presented two working papers. The first dealt with marketing problems in the Arab Gulf states and was prepared by Dr. Shaykhah al-Shami, who defined the most prominent problems in her paper, including similarity of the Gulf states' industrial structures, which are focused in industrial activities that encompass petrochemicals, cement, fertilizer, iron and steel, and aluminum. Dr. al-Shami noted the unavailability of information on the Gulf markets to the agencies in charge of industry.

Problems of the Gulf markets also include the inundation policy, high cost, the lack of standard measurements, deficiency of marketing services, the low level of customs protection, and failure of Gulf factories to take advantage of government decrees to promote the purchase of Gulf products.

The paper also touched on the difficulties of marketing petrochemical products, especially on the narrowness of the Gulf market, the trade barriers, customs protection, the difficulty of transporting products, and high costs.

The second paper submitted by the UAE University dealt with the role of marketing in bolstering the national industry. The Abu Dhabi Public Industry Organization

submitted a paper dealing with the problems of manufacturers and the means to tackle them. The UAE Industry Bank submitted a paper on financing national industries. The Ministry of Labor submitted a paper on the rules and conditions on importing manpower, the importance of utilizing national manpower, and the impact of this utilization on the production process.

Other working papers included a paper by the Gulf Industrial Consultations Organization on the Gulf market and the need for economic integration in the area of industry, and a paper by the Abu Dhabi National Foodstuffs Company on the obstacles facing industry in the Emirate of Abu Dhabi.

### Survey Shows Problem Areas in Industrial Development

92AE0114A *Dubayy AL-BAYAN* in Arabic 9 Nov 91 p 3

[Article by Ahmad Muhsin: "Field Study by Industry Organization: Prompt Decision on Factories' Needs for Imported Labor; Incentives for Employing Citizens in Private-Sector Plants"]

[Text] Abu Dhabi—The Abu Dhabi General Industry Organization has urged that efforts be made to study the obstacles from which factory owners suffer in bringing in and employing imported labor in a manner that does not contradict the controls by the labor law. The organization urged that this be done by forming committees in the labor and workers' departments to make prompt decisions on companies' needs for specialized labor that is unavailable in the state, and to exert efforts to make this expertise available as quickly as needed and without delay.

In a field study it has prepared to be submitted to the National Industry Seminar, which will open in Abu Dhabi today, Saturday, the organization stressed that the private industrial sector should be encouraged to employ national cadres from among the country's citizens by issuing the necessary legislation that requires that citizens be employed in the private sector and offered proper wages and benefits. The study stresses that consideration should be given to compensating factory owners for the additional financial burdens they incur. The study also calls for issuing legislation requiring that contracting laws currently applied to government workers be also applied to private sector workers in order to realize the principle of equal opportunity and to encourage citizens to seek employment in the private industrial sector. The study focuses, moreover, on the importance of technical and vocational training, domestic training centers, and promoting scientific research in scientific institutes so that this research can offer its services to national industry in preparation for establishing certain industrial technologies in the country.

In its recommendations, drafted by private sector investors through a field survey, the organization called for examining the means likely to facilitate the information

media's role in highlighting the existing national industries so as to encourage them and to familiarize the local market and consumers with the advantages their products have over similar, imported products. This can be done by increasing the number of program hours devoted to the economic and industrial sectors, by highlighting the national industries, by examining the question of publishing more specialized magazines and periodicals covering the existing industries, by giving manufacturers the opportunity to publish their advertisements in newspapers and magazines at convenient prices, and by increasing the number of domestic and external fairs devoted to the industry sector's activities.

The recommendations also call for examining the means to strengthen and protect the private industrial sector by taking advantage of the experiences of the neighboring countries in the region and by selecting a subsidy system compatible with the local market conditions so that government subsidy will not lead to a decline in the local product's quality under the umbrella of total protection and so that the national industry will not be threatened by strong competition in the absence of government subsidy. The recommendations also call for examining the question of simplifying financing methods and awarding grants and loans to the private industrial sector on easy terms. They also emphasize the necessity and inevitability of coordination between the authorities concerned with licensing the private industrial sector so as to avoid duality. The recommendations call, moreover, for encouraging the private sector to conduct feasibility studies for industrial projects before they are implemented so as to reduce risk and to offer capital owners greater assurances to embark on industrial investment.

The organization has also recommended that efforts be made to promptly create a government agency in charge of quality control for local products and for imports, including raw materials and manufactured goods, to ensure that no poor-quality production enters the markets and harms national industry and economy.

In reviewing the relative importance of the elements causing problems for the national industrial private sector, the following conclusions were made:

#### Workforce

Fifty percent of the plants included in the sample for this study were unanimous that administrative obstacles facing importing and employing labor constitute a real problem that impedes the private industrial sector's development. Moreover, the current labor laws also contribute to these obstacles. What is meant here are gaps in the wording of the law, mistakes in applying or interpreting provisions of the law, or the multiplicity of controls imposed by the law to protect both parties in the labor relationship. This is followed by the unavailability of the technical and administrative expertise needed for all plants in the state, and the fact that factory owners are compelled to look for such expertise abroad and to

shoulder the costs of advertisements, interviews, employment procedures, and other elements, in addition to the high wages and in-kind and material benefits demanded by such experts, with the subsequent impact of all this on a plant's profitability.

One problem cited by 40 percent of those included in the sample is the disinclination of citizens to take up jobs in the private sector because of low wages and the other weak material benefits, such as children's allowances and other allowances; and the unavailability of the in-kind benefits provided by government jobs, such as housing, a car, and other benefits. This is in addition to the fact that this sector's workers are not included in pension laws and in social security.

#### Raw Materials

A total of 55 percent of the firms included in the survey were unanimous that the most important reasons for the problems are the fluctuating prices of imported raw materials, considering that the majority of these materials are imported because they are not available locally and that they are affected by changes in foreign exchange rates and the international inflation that is sweeping all commercial and industrial activities. Meanwhile, the region's prevalent weather conditions represent one of the main problems for entire industrial sectors, such as the food and chemical industries, considering that these conditions cause the fast spoilage of raw materials and production requirements. This makes it necessary to increase cost in order to create and provide the right climate for shipping and storage.

#### Machinery and Equipment

Seventy percent of the industrial companies participating in the survey agreed that securing the spare parts necessary for the maintenance of factory machinery and equipment represents the major problem because of monopolization by some of the machinery and equipment-manufacturing companies. These companies are the sole suppliers of the spare parts needed for their equipment. The prices that these companies charge lead to higher production costs and, at times, to idle production lines, thus affecting an industrial project's profitability.

#### Marketing

A total of 85 percent of the owners of private sector plants agreed that strong foreign competition is what harms their product-marketing interests most. This is due to the special character that distinguishes the U.A.E. market from other markets, considering that it is a market open to all kinds of goods from all over the world. In the absence of quality control authorities, some poor-quality goods may find their way to the state's consumer markets at low prices that cannot be fought by local products. National industries are thus faced with the threat of loss or of operating at a capacity that is much below their designed capacity.

A total of 55 percent of the factories included in the sample agreed that the government subsidy granted to the private sector is still incapable of achieving their aspirations—levying suitable customs fees on imports for which there is a similar domestic product; and subsidizing national industries by such means as providing them with electricity at special prices and decreeing that the government must include local products in its purchases, giving such products a price bonus of no less than 10 percent to encourage them and ensure their survival.

Forty percent of the factories participating in the survey agreed that their low share of the local market is due to the duplication in numerous industries as a result of the numerous licenses issued for factories, of the failure to conduct the necessary economic feasibility studies before licenses are issued, and of the absence of coordination.

#### Financing

Fifty percent of the factories agreed that securing soft loans on terms that do not represent obstacles to investors is necessary in the current phase, especially in a free market and under strong competition. The truth is that the circles that are in charge of granting loans, such as the U.A.E. Industry Bank, impose terms which some investors find difficult to meet. Moreover, commercial banks often inflate the interest rates they demand for their loans to the industrial sector, thus affecting production cost and profitability.

The survey has shown that 30 percent of the companies complain of the fees for manufacturing rights that they have to pay to foreign firms in return for getting production concessions or trademarks. A total of 75 percent of the factories raised the problem of the unavailability of spare parts needed for the maintenance of machinery and equipment at the right price and time, and in the needed volume. A total of 55 percent of the companies complained of the absence of government quality control for both local and imported products.

## WESTERN SAHARA

#### Polisario: Appeal for Portuguese Recognition

92AF0203A Lisbon PUBLICO in Portuguese  
14 Dec 91 p 14

[Article by Jorge Heitor]

[Text] Polisario [Popular Front for the Liberation of Saguia el Hamra and Rio de Oro (Western Sahara)] wants Portugal to concern itself as much with legality in Western Sahara as it does with respect to East Timor, especially at a time when it is preparing to assume the presidency of the European Communities.

"The Portuguese position in the case of Timor has been brilliant, but it should be linked with all the defenses of international legality; otherwise, it would be considered

paternalistic." This statement was made to PUBLICO yesterday by Polisario's representative on the Iberian Peninsula, Ahmed Hash, aged 36. He has been visiting Lisbon during the past few days to contact various political forces concerning the situation in Western Sahara.

Hash commented: "At a time when Portugal is going to assume the presidency of the EEC, and this issue may become quite heated, it is important for the Assembly of the Republic to make a statement regarding the delay that is occurring in the implementation of the UN plan for a referendum in our territory. After all, Sahara is so close to this country, far closer than Timor...."

That Saharan militant noted that there has been a delay of three to four months in the plan calling for a referendum on self-determination 20 weeks after the cease-fire in Western Sahara was achieved between Morocco and Polisario. He attributed the blame to an alleged lack of firmness on the part of the UN Mission for Western Sahara (Minurso), headed by the Swiss diplomat, Johannes Manz.

He claims that Morocco is attempting to drag the United Nations into a "dirty operation," and that this international organization has by no means shown toward Rabat the determination that it displayed in dealing with Baghdad.

Ahmed Hash, who has represented Polisario's interests in Spain and Portugal since 1987, declared: "We demand a free, transparent consultation, with complete implementation of what is contained in the UN plan. Morocco, on the other hand, would prefer to hold the consultation without foreign observers."

#### United Nations at Risk

After the cease-fire, on 6 September, there was supposed to have been an exchange of prisoners of war, a release of prisoners and political detainees, and a turnover of all the authority in Western Sahara to the UN's special representative, Johannes Manz. Nevertheless, Polisario claims that it still has in its possession 3,000 Moroccan prisoners of war, and that Morocco is holding from 200 to 250 Saharan prisoners, precisely because the entire plan has lagged.

Hash also expressed the view that Morocco is still controlling Western Sahara, and preventing the establishment of a genuine UN authority there. He said that the UN's local officials have proven to be incapable of more firmness in dealing with Rabat.

That citizen, a native of Dakla (the former Vila Cisneros of Spanish colonial times), complained: "The Polisario military commanders received instructions to appear before the UN personnel detailed to the country, but the Moroccans did not."

Ahmed Hash went on to say: "There have been various illegalities, such as the human flood of some 50,000 Moroccans entering the territory after the cease-fire. There must be a return to the status quo. And if the United Nations makes up for lost time, and recovers its moral authority, perhaps the referendum (which was to have been held in January) may take place in May." Hash is in Troia this weekend to attend the Socialist Youth Congress as a guest.

In his view, there is a social and cultural abyss between Saharans and Moroccans. Hence, it still makes sense to fight for the former's right to self-determination and independence, even though they may not number over 500,000. (The exact figure will not be set until after there is a Law on Nationality, and this will occur if the independence proposition is successful.)

#### Controversial Referendum

According to the official version of the UN plan for Western Sahara, the referendum on the future of the former Spanish colony in Northwest Africa would be based on a census taken in 1974. However, the out-going secretary general, Javier Perez de Cuellar, registered petitions from Morocco for an increase in the number of Saharan citizens with a right to vote.

Some reports claim that the United Nations would accept participation in the referendum (besides that of the persons counted by Spain in the 1974 census) for individuals who can prove that they were living in Saharan territory but were overlooked. This would also apply to those with a Saharan father who were born in the former colony, even if they subsequently moved to other areas to reside.

The new criterion, not yet duly confirmed, would increase the number of potential participants in the referendum from 70,000 to possibly over 100,000. This is not very gratifying to Polisario.

## REGIONAL AFFAIRS

**Iran Seen Leader of Muslim Solidarity Block**  
*92AS0383A Lahore THE NATION in English*  
*1 Dec 91 p 4*

[Article by Mushahid Hussain: "Iranian Military's Worldview"]

[Text] An important and growing dimension of the Pakistan-Iran strategic relationship is the bond that exists between the Pakistan Army and the Iranian Revolutionary Guards, whose most recent reaffirmation came through the visit of Chief of the Army Staff, General Asif Nawaz, to China and Iran a month back. The Pakistan Army Chief was returning a visit to Pakistan last July from the Commander-in-Chief of the Revolutionary Guards, Major General Mohsen Rezai, when he also toured Muzaffarabad, Azad Kashmir's capital, and expressed full support for the Kashmiri liberation struggle.

Exchange of high-level delegations apart, the Revolutionary Guards have posted a Permanent Representative at the Iranian Embassy in Islamabad, together with the Military Attaché, and among the two Iranian military representatives currently participating in the National Defence Course at the National Defence College, Pakistan's premier training institution, one is from the Revolutionary Guards while the other is a Brigadier from the Iranian Army.

During a recent visit to Iran, an opportunity was provided for an exclusive interview with the Revolutionary Guards chief. The soft-spoken bearded, bespectacled Mohsen Rezai looks more like an Islamic ideologue than the powerful Commander of a military force which, perhaps more than any other institution, has been central to the Islamic Revolution's survival and its strength. At 37, Major General Rezai is a "veteran" with a decade-long command experience which includes battle-inoculation during the war with Iraq. This probably makes him the youngest modern wartime military Commander since he was only 27 in 1981 when he took over leadership of this force.

During an hour-long interview in Tehran, one of his very rare ones with a foreign journalist, General Rezai concedes that the role of the Revolutionary Guards today "is different from our role during the war against Iraq since we are now doing a lot of construction work, building roads and dams." But, he says, his force still "plays a major role as the guardian of the revolution."

Regarding relations with the Army, Rezai dismisses talk of rivalry between the two saying: "We have no problem with the Army, as we help each other and the respective roles and functions of the Army and the Revolutionary Guards are clearly defined and there is no conflict among us." The Army has its own three services with the ground, air, and naval forces, a service structure which is matched by the Revolutionary Guards similar three

services all of whom then come under the Ministry of Defence. However, in a meaningful comment, Rezai underlines that while "the Army has the specific function of combating aggression from across the border, the Revolutionary Guards have a broader role," alluding to its key function to defend the revolution from internal threats as well.

General Rezai also spoke of the Revolutionary Guards international role which he sees as being "helping the Muslims everywhere since we are an Islamic Army." This Islamic worldview is operationally defined by General Rezai at two levels. First, he refers to the "strategic relationship" which the Revolutionary Guards enjoy with countries like Pakistan and he feels that "if there is unity among Iran, Pakistan and Afghanistan, this will strengthen Muslim solidarity and enable the peoples of Soviet Central Asia and Kashmir to join in. China would also welcome such a development, but I am not sure about the Indian view, although there are a lot of people in India (i.e., 150 million Muslims) who share a similar heritage with us."

In fact, Mohsin Rezai says that "a major element of our thinking seeks close relations with Muslim Armies." He is all praise for the Pakistan Army calling it "an Islamic Army which cares for Islam and the Muslim World. Despite close ties with the West, specially the United States, the Pakistan Army has maintained its distinct Islamic character. We consider our ties with Pakistan as a strategic relationship which will grow, since our ties are developing well. My visit to Pakistan was very good. And I felt I was among brothers."

Mohsin Rezai, like the rest of the Iranian leadership, places special importance on Palestine, which is seen as an Islamic issue concerning all Muslims and not simply an Arab question which is only one aspect of the Arab-Israeli dispute. Mohsin Rezai says that "we want a united Islamic Army to liberate Palestine and we have established in the Islamic Republic a special Al-Quds Force for the liberation of Palestine." Wary and critical of the American-sponsored diplomacy that led to the Middle East Conference in Madrid, the Chief of the Iranian Revolutionary Guards outlined his view of what he saw as American designs for the Muslim World. "I feel that after taking care of the Palestinian issue, America will target Arab countries like Jordan, Syria and Iraq, and Pakistan and Iran will then come next on the list."

The other aspect that Rezai refers to pertains to the role of the Revolutionary Guards in Lebanon. Rezai says that "the Revolutionary Guards went to Lebanon to help the Muslims there after the Israeli invasion of June 1982." It was then that Iran despatched about 2,000 Revolutionary Guards who were stationed in the city of Baalbek, in the Bekaa Valley, helping to organise and train the Hizbullah (Party of God), which is today the primary vehicle of radical Islamic influence in Lebanon. He tells how he went about it: "I personally went to Syria, after the Israeli invasion of Lebanon, to sign an agreement

regarding the presence of our Revolutionary Guards in Lebanon. We wanted to tell the Lebanese people that they were not alone and we, as Muslims, are with them. We provided the people in Lebanon with military training so that they could defend themselves against the aggressors."

Refuting reports about the return of the Revolutionary Guards from Lebanon, Rezai says: "There has been no discussion with Syria on revising the agreement for the return of the Revolutionary Guards. In any case, they are busy training thousands of Hizbulah in Lebanon." He adds, somewhat ruefully, that "the Press does not acknowledge the positive role that the Revolutionary Guards are playing in Lebanon, like building hospitals and looking after the wounded and the needy."

Rezai also takes a lot of pride in what he refers to as "our achievement of self-reliance in the field of weapon production, and our breakthrough in resolving complicated problems of electronics in our weapons system. In a few years, Inshaallah (God willing), we will not only produce enough armaments to fulfil our needs but also to export."

Asked what he would cite as his three major achievements during his tenure as the Head of the Revolutionary Guards, Rezai smiled somewhat bashfully and said, in his view "we were crucial in stabilising the Islamic Revolution, specially in its early days when it was under threat and we helped to defeat the enemy designs." He adds that "during the war with Iraq, we resisted Iraqi aggression and threw out the invaders from Iranian territory," adding, finally, without specifying details "then there is our role before the Revolution."

Rezai's views remain unchanged regarding the United States whom he accuses of having "dangerous designs in the region, as America sees Islamic fundamentalism as a threat now after the collapse of Communism." But, he confidently concludes: "We are ready to resist American designs and although, unlike Communism, Islamic fundamentalism has no such military might, America is still scared of it." According to Rezai, the Americans are going by erroneous assumptions as they pursue their regional strategy: "America feels it is strong after the Persian Gulf War, actually it is mistaken if it thinks it can control the region. Not only will Iran resist American designs, but a strategic relationship between Iran, Pakistan and Afghanistan can also counter the American designs in the region."

It is probably this accent on anti-Americanism that underlines Rezai's thinking on the recent Gulf War when he says that "had Iraq battled the United States without first invading and occupying Kuwait, we would have been with Iraq in its fight against America."

## BANGLADESH

### India Extends Permission To Visit Tin Bigha

92AS0393A Dhaka *THE BANGLADESH OBSERVER*  
*in English 12 Nov 91 pp 1, 10*

[Text] The Indian Government has extended the permit for the passage of Bangladeshis to the Dahagram-Angarpota Enclave up to 22 January 1992, reports BSS.

With the extension of the permit, Bangladeshis would not be able to visit freely to the enclave, an official source said, adding that the agreement had expired on 22 October this year. [sentence as published]

Meanwhile, the West Bengal Chief Minister, Mr. Jyoti Basu, has reportedly left Calcutta Monday on way to Tin Bigha, where he is likely to reach today (Tuesday) to finalise the process of the transfer of the corridor to Bangladesh.

"With the centre and West Bengal government committed to implementing the Indira-Mujib agreement providing leasing of Tin Bigha to Bangladesh, senior state and Union Ministry officials finalised the modalities of transfer of small plot to the neighbouring country," said the "Statesman" in a report on 8 November.

"All set for transfer of Tin Bigha" was the headlines in several Indian dailies which reported that despite strong opposition by the Bharatiya Janata Party (BJP) and Socialist Unity Centre of India (SUCI), both the state and central government were now all set to transfer the small corridor in Bangladesh to honour the 1974 agreement between the two countries.

According to the 1974 agreement between Bangladesh and India, the Indian Government has agreed to hand over the Tin Bigha Corridor to connect Dahagram Enclave with Panbari Mouza of Patgram in the mainland Bangladesh. The corridor will be of an area approximately 178 metres by 85 metres and be "leased perpetuity" to Bangladesh under the agreement.

According to the "exchange of letters on Tin Bigha" made on 7 October 1982, the sovereignty over the leased area shall continue to vest in India and Bangladeshis, along with the Indians, shall have undisturbed possession and use of the corridor in perpetuity.

The people of Bangladesh and India with all their supplies would have the right of free and unfettered movement in the leased area and shall not carry any passport or travel documents of any kinds.

### Review of India's Withdrawal of Ganges Water

92AS0397A Dhaka *THE NEW NATION* *in English*  
*6 Nov 91 p 3*

[Text] India has been withdrawing water from the Ganges unilaterally since its last accord on sharing of water with Bangladesh expired in May 1988, the Jatiya Sangsad (parliament) was told on Monday, reports UNB.

Replying to a question from Syed Abul Hossain of Awami League, Irrigation, Water Development and Flood Control Minister Majid-ul Huq said official level talks between India and Bangladesh continued for a permanent sharing of Ganges water between the two countries.

Bangladesh is pursuing for the implementation of minimum terms and conditions as envisaged in the "Ganges water Agreement, 1977."

The Agreement ensured the highest quantum of 58,500 cusecs of water and the minimum 34,500 cusecs to Bangladesh during the dry season.

It also included a guarantee clause ensuring 80 percent flow of water for Bangladesh for 10 days in the dry season.

In a written reply, the Irrigation Minister informed the House that at present there is no agreement on the sharing of water since the last Memorandum of Understanding (MOU) between the two countries expired in May, 1988.

He said the country's dry season requirement of water from the Ganges is 56,500 cusecs.

Giving a detailed picture of the water distribution since the commissioning of Farakka Barrage in 1975, the minister said the first agreement between the two countries was signed in November 1977 for five years.

Under the agreement, Bangladesh received 58,500 cusecs of water from the Ganges in the first 10 days of January and 38,500 cusecs during the last 10 days of May.

Prior to the accord, Bangladesh received water ranging from 45,500 to 40,500 cusecs under an interim arrangement, the minister said.

After the commissioning of Farakka Barrage in 1975 and under interim arrangement, India withdrew 11,000 - 16,000 cusecs of water through feeder channel during 41 days of dry season starting from 21 April to 30 May.

The main feature of the 1977 accord was that it included a "Guarantee Clause" which ensured 80 percent flow of the Ganges water for Bangladesh for 10 days during the dry season.

Majid-ul Huq informed the House that on expiry of the Ganges water agreement of 1977, an MOU was signed in October 1982 for two consecutive dry seasons 1983 and 1984 without any guarantee clause.

In 1985, there was no agreement and India withdrew water unilaterally during the dry season of that year.

In November 1985, he said, another MOU was signed for 1986-87 and 1987-88 and the tenure of that MOU expired in May 1988.

After this there has not been any new agreement till today, the Irrigation Minister said.

He further informed the House that two secretary level meetings were held in Dhaka and New Delhi in April and October this year to work out an acceptable formula on the sharing of the Ganges water.

The water sharing featured prominently during Indo-Bangladesh bilateral talks in Delhi when Foreign Minister A.S.M. Mustafizur Rahman visited India recently.

#### **Dhaka Assured of Continued ADB Assistance**

92AS0392A Dhaka *THE BANGLADESH OBSERVER* in English 10 Nov 91 p 10

[Text] Director of the Asian Development Bank (ADB) N. Morita and newly appointed Resident Representative of the ADB in the Metropolis G.H.P.B. Vander Linden called on Finance Minister M. Saifur Rahman in Dhaka on Saturday, reports BSS.

The entire aspect of ADB assistance to Bangladesh was discussed in the meeting, an official handout said.

Earlier, Mr. Morita introduced the newly appointed Resident Representative and said that ADB, as in the past, would continue to cooperate with Bangladesh in her development efforts. "ADB is ready to give assistance to the ADB schemes and various development programmes initiated by the democratic government of Bangladesh to achieve its priority objectives," he said.

The ADB Director outlined some problems being faced in the ADB projects. The Finance Minister gave solutions of the same to expedite immediate implementation of the projects.

The ADB Director also emphasised the urgent need of carrying out the reform programmes and realisation of bank loans from defaulters as per programmes undertaken by the government.

Listing government politics and programmes the Finance Minister asked for greater ADB cooperation for implementing the development programmes. He also asked for immediate disbursement of credit in the agricultural sector.

Earlier, Mr. Morita and Mr. Vanden called on ERD [External Resources Division] Secretary Enam Ahmed Chowdhury and discussed in detail the ADB projects and programmes in Bangladesh.

#### **Scientific Cooperation Accord Signed With PRC**

92AS0391A Dhaka *THE BANGLADESH OBSERVER* in English 3 Dec 91 p 10

[Text] A programme protocol agreement on scientific and technological cooperation between Bangladesh and China was signed in Dhaka on Monday, an official handout said, reports BSS.

Secretary of the Science and Technology Division Heshamuddin Ahmed and Commissioner of the State Science and Technology Commission of China Chen Zutao signed the programme protocol on behalf of the respective governments.

The programme protocol covers a vast area including study of sand and silt movement along harbours, study of herbal medicine, advanced technology for the rural areas, germ-plasm of crops, processing of jute and technical services on population control.

Another report adds: State Minister for Education Principal Md. Eunus Khan on Monday laid emphasis on scientific and technical cooperation between Bangladesh and China for making a break-through in this sector, reports BSS.

The state minister was addressing at a meeting with the visiting Chinese delegation on science and technology led by Mr. Chen Zutao, Commissioner of the State Science and Technology Commission of China, at the Conference Room of the Ministry of Education in Dhaka on Monday.

Secretary of Science and Technology Division Heshamuddin Ahmed and Chinese Ambassador to Bangladesh Chensong Lu attended the meeting.

The State Minister said, "China has achieved a tremendous success in science and technology but we could not make any remarkable progress due to resources constraints and lack of technical education. [quotation marks as published]

He hoped that the Chinese help and cooperation in the field of science and technology will be strengthened in the days ahead for mutual benefit of the two peoples.

**Joint Economic Commission Planned With Italy**  
**92AS0395A Dhaka THE BANGLADESH OBSERVER**  
*in English 15 Nov 91 p 3*

[Text] Dhaka and Rome have agreed to set up a permanent joint commission for bolstering bilateral economic cooperation by combining available labour and raw materials of Bangladesh and modern technology of Italy, reports UNB.

Deputy Finance Minister of Italy will come here in late January to sign an agreement and attend the launching session of the proposed commission, said Italian Ambassador Claudio Pacifico briefing newsmen at his office here on Wednesday.

A three-year programme covering the entire gamut of Dhaka-Rome cooperation will be drawn at the forthcoming meeting.

The commission, proposed by Bangladesh Foreign Minister during his recent visit to Rome and readily accepted

by the Italian authorities, will meet once a year to take stock of the comprehensive economic interaction the joint body aims at.

The ambassador said his government had decided politically to renew more effectively its relations with Bangladesh, particularly in the economic area, in the changed context.

"Our political relations with Bangladesh has so far been excellent, but that could not be diverted into effective economic relations although there exists tremendous potentials," he said.

The installation of a democratic government in Bangladesh, the Italian Ambassador said, had opened up a prospective new avenue for making the Dhaka-Rome relations stronger.

Mentioning some immediate responses of his government to the need of such fruitful bilateral relations, he said a big Italian delegation including leading private sector people would visit Bangladesh next month to explore prospects of investment here.

Italy has also affirmed its will to join the Aid Bangladesh Consortium as a permanent member, he said. It has so far been an observer in the consortium.

Referring to Italian aid, the Ambassador said his government was now funding the U.S. 33-million-dollar Dinajpur-Panchagarh highway, work on which started recently. Italy has also decided in principle to finance the proposed road-cum-rail bridge on river Rupsha in Khulna.

A government delegation is scheduled to come from Rome to finalise a 10-million-dollar project for cyclone rehabilitation in Chittagong. Italy has committed 21 million U.S. dollars for cyclone rehabilitation programme in Bangladesh.

Ambassador Claudio stressed joint ventures to make the economic relations more effective.

Bangladesh has got very good raw materials, cheap labour, but its production lacks in quality because of poor technology, he viewed. "Italy has modern technology to offer in the sector of leather and textile, and joint ventures in these fields do have a tremendous prospect to capture western markets."

Bangladesh's drive abroad for attracting foreign investment was not much appealing in the past, the ambassador said, "but the situation has improved by the recent policy legislation of the present government."

But, he cautioned, policies must have to be put in practice to net foreign capital.

Italy is one of the few countries with which Bangladesh is enjoying a favourable trade balance. In the last fiscal

[year], Italy imported goods worth 270 million U.S. dollars while its export to Bangladesh was only about 20 million dollars.

### Zia Meets With Iranian Special Envoy

*92AS0399A Dhaka THE BANGLADESH OBSERVER  
in English 10 Nov 91 p 1*

[Text] Prime Minister Begum Khaleda Zia said in Dhaka on Saturday Bangladesh would continue with Shaheed President Ziaur Rahman's policy of forging unity among Muslim Ummah for the all-round socio-economic progress of Islamic countries, reports BSS.

The prime minister was talking to Mr. Monuchehr Mottaki, Deputy Foreign Minister for International Affairs of Iran and the Special Envoy of Iranian President who called on her at her office in Dhaka.

During the meeting the special envoy lauded the Bangladesh's initiatives as a Third World and Islamic country for the social and economic progress of the Islamic Ummah.

Mr. Mottaki handed over a message to the prime minister relating to the OIC [Organization of the Islamic Conference] to be held in Senegal next month.

He told the prime minister that Iran could not take a very active role in OIC during the last decade as it was in war with Iraq.

Mr. Mottaki said Iran has over the last two years increased its activities particularly within OIC and hope to play an effective role in future including the forthcoming OIC summit.

He touched on bilateral relations between Bangladesh and Iran which he thinks can be further expanded.

The prime minister said Shaheed President Zia had a great desire to forge unity among Muslim Ummah. He (Zia) also played an active role for peace to bring an end to the fratricidal war between Iran and Iraq, she said.

The prime minister requested the envoy to convey her and people of Bangladesh's best wishes to the Iranian President and the people.

Foreign Minister A.S.M. Mostafizur Rahman was present on the occasion.

### Mo Haki Calls on Mostafiz

Another report adds: The special envoy of Iranian President Hashem Rafsanjani and Deputy Foreign Minister of Iran Monuchehr Mottaki on Saturday called on Foreign Minister A.S.M. Mostafizur Rahman.

They discussed various matters related to Bangladesh-Iran relations. During the discussion, they also reviewed issues related to the forthcoming OIC summit scheduled to be held at Dhaka in early December.

Both the sides expressed satisfaction that the bilateral relations between Bangladesh and Iran had been growing steadily over the years. And the leaderships in both countries had been taking keen interest in further cementing of relations and cooperations between the two countries.

Iranian Ambassador in Bangladesh Ganji Doost was present during the discussion.

### Zia on Separation of Judiciary From Executive

*92AS0396A Dhaka THE BANGLADESH OBSERVER  
in English 5 Dec 91 pp 1, 10*

[Text] Prime Minister Begum Khaleda Zia said in Dhaka on Wednesday that the government had already taken initiative to separate the judiciary from the executive for the establishment of an independent and neutral judiciary in the country, reports BSS.

"We will uphold the dignity of the judges and the judiciary as a time-honoured institution," she stressed.

The prime minister was addressing the 41st annual conference of Bangladesh Civil Service (Judiciary) Association.

Begum Zia said a mockery was staged by the autocrat in the name of decentralisation of the judiciary. The present government has, therefore, started the work of abolishing upazila courts gradually and shifting those to the district headquarters in the interest of establishing justice and rule of law, she said.

The prime minister pointed out that the laws of the colonial period were also working as an impediment in establishing rule of law in the country. The laws enacted only to punish instead of ensuring justice could not be retained in an independent and democratic social system, she said.

Begum Zia said "there cannot be any sort of confusion in ensuring justice for the people and in the interest of maintaining law and order."

She said the government would consider the judicious advises [as published] of the judges while reforming and changing the laws which were not in consistence with the need of the time.

The judges have the rare opportunity to establish social justice because they belong to a great profession, she said and hoped that the judiciary would play its due role in upholding and consolidating democracy re-established through great sacrifices.

She said the commitment of the judiciary to ensure the rule of law would not only enhance its image, but also help fulfil our pledges to the people.

Begum Zia said she was aware of the problems of the judges and her government had already taken various steps to solve those.

The functions was also addressed by Law Minister Mirza Golam Hafiz, State Minister for Law and Justice Barrister Aminul Huq, Additional Secretary of Law and Justice Ministry Sirajul Islam, the Association President Nasiruddin Ahmed and Secretary General Abdullah Shahid.

The Law and Justice Minister said the responsibility of the judiciary had increased with the establishment of parliamentary system of government. It has to help ensure economic, social and human rights of the people, he said.

Mirza Hafiz gave a clarion call to the judiciary to expedite cases pending in the courts.

He said the present democratic government was pledge-bound to protect the neutrality and independence of the judiciary. He said the independence of the judiciary would be meaningless if justice was delayed.

The Law Minister said the government would enact substantive laws to expedite justice under the present democratic system of government.

#### **Upazila System Abolished, Reverts to Thana**

92AS0398A Dhaka *THE NEW NATION* in English  
3 Dec 91 pp 1, 8

[Text] With the abolition of the upazila system, upazila has now been reverted to thana.

Information Minister Barrister Nazmul Huda, who is heading the 13-member high level commission to review the local government system, told *THE NEW NATION* yesterday the reversion in the nomenclature from upazila to thana takes place with the abolition of the upazila system.

He said now the union parishad would be the 'focal point' so far [as] local government is concerned. "There would be no upazila but thana from now on with the repealing of the upazila ordinance by the government on 24 November," the minister said.

The commission which Barrister Nazmul Huda is heading would start its work soon to review all the aspects of local government system in the country and recommend ways and means to strengthen the local bodies in a meaningful manner. The high-level commission was set up on the same of the abolition of the controversial upazila system of the ousted Ershad regime on 23 November. [sentence as published]

He said, it would take at least three to four months to submit the report along with the recommendations of his commission to the government.

The BNP [Bangladesh Nationalist Party] Government is attaching much importance to union parishad which he said would grow as effective local body for overall development of the rural areas and ensuring welfare to the vast rural masses.

Meanwhile, the Local Government Ministry issued a circular asking all the executive officers better known as UNO of the scrapped upazila parishad to work as per instructions of the deputy commissioners of their respective districts. The circular which was issued on 24 November, said the arrangement was temporary and would remain valid till further order.

#### **Political Parties Resolution on Campus Violence**

92AS0390A Dhaka *THE BANGLADESH OBSERVER*  
in English 5 Dec 91

[Excerpt] Major political parties Tuesday unanimously adopted a seven-point resolution to curb terrorism to establish a congenial atmosphere in educational institutions, reports BSS.

The resolution was adopted in a meeting of the political parties convened at the invitation of Prime Minister Khaleda Zia at the international conference centre to find out ways and means to check terrorism in every sphere of life including the campuses.

In the seven-point resolution all the political parties attending the meeting had pledged to give total support to government's any legal step that might be taken against the illegal arms holders and terrorists.

The resolution said as the student's politics was not separate of students creating anarchy and terrorism had been urged by the main parties to refrain from politics of hatred. [sentence as published]

The political parties called for resisting all future acts of terrorism with all strength and sincerity.

The meeting expressed determination to extend its total support in the efforts of government administration and law enforcing agencies to contain terrorism.

The resolution said that no political party would assist any criminal if legal actions, were taken and arms holders if they were given punishment.

The parties had agreed to resist the non-students to stay in the residential halls of the universities.

The resolution said that no political party or student organisation will provide shelter to the arms holders in the campuses. All parties will discard the terrorists politically as soon as his identity is revealed.

In the resolution the political parties have called upon the teachers and authorities of the universities to assist the efforts to free the campus from arms.

The resolutions are as follows:

1. As student politics is not isolated from the mainstream of politics, the student organisations are asked to give up terrorism from their activities once for all.
2. To resist with all might any attempt by terrorist elements in future.

3. To maintain absolute neutrality by the government, administration and law enforcing agencies in taking stern action against all acts of terrorists irrespective of party and group identity, in accordance with the principal of the rule of law.
4. No political party will extend support to offenders if legal and punitive actions are taken against any arms holders.
5. Stop giving shelter to any non-students in any hall or hostel in order to create peaceful atmosphere on the campus.
6. No political party or student organisation will give any protection to any arms holder on the campus. Party or organisation, concerned will abandon such arms holders politically.
7. Asked the university authorities for their all out cooperation for cleansing the campuses of arms.

Earlier Prime Minister Begum Khaleda Zia, in her introductory statement, expressed deep concern at the existing situation in the educational institutions in the wake of armed terrorism.

She said that a parliamentary committee was formed to review the situation prevailing in the campuses and recommended measures to ensure healthy academic atmosphere.

This meeting, the prime minister said, is not an alternative to the parliamentary committee.

She said the meeting is meant to discuss with the political parties who were in the nine years anti-autocracy movement but some of which do not have representation in the present parliament. [passage omitted]

## IRAN

### Purchase of Trucks, Parts From Germany Reported

*92AS0337G Tehran RESALAT in Persian 21 Nov 91 p 15*

[Text] Bonn—IRNA: At a time when the market for truck sales is quite stagnant in the West European nations and there is very little demand for this type of heavy transportation equipment, this year the Magirus Ayuco Corporation is producing 29,000 automobiles, compared to 23,800 automobiles produced last year.

Accordingly, this German automobile manufacturing company, affiliated with Fiat of Italy, will have sales this year of more than 2.8 billion marks, which is 16 percent more than its sales last year.

Magirus Ayuco reports from Ulm that an order from Iran valued at 550 million marks for the sale of a total of

3,000 heavy trucks and parts to build 2,000 more of them in Iran along with spare parts will compensate for the drop in sales in Europe.

So far 700 of these trucks have been delivered to Iran, and the rest are to be delivered by next June.

### New Agricultural Banking Unit Created

*92AS0160A Tehran RESALAT in Persian 30 Sep 91 p 15*

[Text] Engineer Milani, Director General of the Agricultural Bank, said: The Land Bank Was Established for the Purpose of Revitalization of Barren Lands.

Economic section—In order to develop, build and revitalize lands, the agricultural bank established a unit called the Company for the Expansion and Development of Agricultural Lands (Land Bank).

RESALAT correspondent: Engineer Milani, the director general of the Agricultural Bank, made this announcement yesterday to the reporters. In emphasizing the importance of dealing with the issue of water and soil in the agricultural sector, he said that the Agricultural Bank has established a company for the expansion and development of agricultural lands, called Land Bank, based on its mission to guide the credits of the banking system, to attract the capital of the private sector, and to expand the people's participation in fundamental investments and agricultural development.

The director general of the Agricultural Bank, stating that the goal in establishing this unit is to receive uncultivated and unproductive lands; to carry out studies; to implement fundamental projects such as water transfer, the creation of irrigation canals, drainage and the equipping and expansion of lands; and, finally, to prepare them for economic operation and transfer them to qualified individuals, added: The revitalized lands will be transferred with long-term installments to qualified actual and legal operators within the framework of the government policies.

According to Milani, with the implementation of this plan, the shortage of government funds in regards to water and soil will be made up for through the banking system, and a sufficient amount of funds will be transferred to the private sector.

He also added: This plan will prevent the partitioning of such land before revitalization, and, on the other hand, fundamental programs will be carried out together, in a coordinated manner, using the expert forces existing in the society to carry them out.

In conclusion, the director general of the Agricultural Bank considered the stages in the implementation of the task as receiving the lands that can be developed—those which have no claimants from natural sources through purchasing or leasing; carrying out the necessary studies; preparing executive plans; implementing developmental plans and providing equipment, for example, providing

water, transferring water, leveling lands, creating irrigation networks, and providing drainage and other primary and secondary facilities needed; and transferring the revitalized lands to qualified actual and legal operators with consideration for the policies of the agricultural sector and the legal regulations of the banking and monetary system of the country.

Our correspondent adds: Following the interview, the Pardis Company of Karaj, affiliated with the Agricultural Bank, was visited by Dr. 'Adeli, the director general of the Central Bank of the Islamic Republic; Engineer Milani, the director general of the Agricultural Bank; and several chicken farming experts.

Dr. 'Adeli stated that today the government is trying to reduce administrative centralization and said: Unfortunately, today many of the resources of the sectors are allocated to those who are not economically deserving, and units that are deserving are deprived of them. In conclusion, he said: The operation of this complex has had a significant effect on reducing the price of chicken in the markets from about 200 tomans to about 170 tomans.

It is worthy of note that Pardis Company of Karaj, affiliated with the Agricultural Bank, slaughters dozens of tons of chicken daily in an industrial, Islamic manner and offers it to the market frozen, with entrails and heads removed. The price of this kind of chicken on the market in the Sepah stores, the cooperatives, and the government ministries is 158 tomans, which is sold to the distributors for 155 tomans.

#### Tehran Factories Required To Pay Pollution Control Fee

92WN0103X Tehran ABRAR in Persian 14 Oct 91 p 3

[Text] All factories and production workshops in the Province of Tehran are required to pay 0.1 percent of the value of their sales and services to be used for pollution control to make up for the damages from pollution as well as create green areas.

The public relations office and the office of education of the central office of environmental protection of the Province of Tehran announced: This decision was made based on Note 13 of the first economic, social, and cultural development law of the Islamic Republic of Iran and also Article 13 of the executive by-laws ratified by the Cabinet. Accordingly, the production units in the Province of Tehran are required to calculate the determined percentage of their sales and services and deposit the amount in a separate account.

#### Wheat Purchased From Farmers Increased by 800,000 Tons

92AS0337A Tehran RESALAT in Persian 16 Nov 91 p 11

[Text] Semnan—IRNA—Four hundred fifty thousand tons of wheat purchased in the country, which had been

stored in the open, were moved to suitable centers, and currently only 50,000 tons are being kept in the open.

Saber Khiabani, deputy minister of agriculture and executive director of the Rural Cooperatives Organization, who had gone to Semnan, announced the above in an interview. He said: In this regard, various organizations, including the military, have cooperated with this organization and have made available shipping equipment and suitable warehouses. Measures have been taken in the East so that the wheat left out in the open will be moved to suitable warehouses.

According to Mr. Khiabani, as of this date 3.3 million tons of wheat has been purchased from farmers, an increase of about 800,000 tons over the previous year. He noted: With the increased purchases in the current year, about 700,000 tons have been subtracted from the amount of wheat imported. He emphasized: So far more than 600,000 tons of barley has also been purchased.

Saber Khiabani also announced the willingness of the Rural Cooperatives Organization to buy other crops at the guaranteed rate, and he called upon farmers gradually to make their crops available to this organization because of the low stocks.

He added: Currently, through the efforts of the Central Rural Cooperatives Union, agricultural exports have multiplied five to six times, and it is expected that the total will approach 10,000 tons.

The executive director of the Rural Cooperatives Organization concluded by announcing that this organization plans to improve the quality of the rural cooperative organizations.

#### Number of Malaria Cases Increasing

92WE0142Z Tehran ABRAR in Persian 11 Nov 91 p 5

[Text] Despite persistent efforts to prevent and wipe out malaria, this disease has continued to spread in the years 1365 [21 March 1986 - 20 March 1987] to 1369 [21 March 1990 - 20 March 1991], and based on statistics from the Ministry of Health, it has roughly doubled.

The IRNA reports that based on statistics from the General Office To Fight Contagious Diseases, in 1365 69 out of every 100,000 Iranians were infected with malaria. In 1366 [21 March 1987 - 20 March 1988] this figure reached 72, and it reached 99 in 1367 [21 March 1988 - 20 March 1989].

According to these statistics, the number of those infected with this disease continues to increase, to the point that in 1368 [21 March 1989 - 20 March 1990] the number reached 106, and then in 1369 it went up to 137 per 100,000 of the nation's population.

According to these statistics, in Tehran Province malaria declined during the years for which the statistics were taken, so that in 1365 12 in every 100,000 were infected with malaria, and this number dropped to nine in 1369.

This disease comes about as the result of the bite of the anopheles mosquito, which lives in swamps. There are various varieties of it, which cause cycles of fever and with a special variety called vivax there is the possibility of death.

As the result of infection with "Plasmodium," or malaria, this disease attacks the red corpuscles and breaks up and dumps into the blood the internal materials, including the hemoglobin, creating in the victim anemia, enlarged spleen and chlorosis, gradually disabling him.

Experts say that malaria spreads because of the failure to disinfect swamps and ponds, the failure to observe environmental hygiene, and the failure to monitor foreign emigrants.

#### **Majority of Afghans' Domesticated Animals Diseased**

*92WE0142X Tehran ABRAR in Persian 9 Nov 91 p 9*

[Excerpt] Of the some 600,000 head of livestock brought into the country annually by Afghan emigres, 80 percent are infected with various livestock diseases.

The IRNA reports that this statement was made by a Khorasan Province veterinary expert at a meeting at the governorate of Birjand attended by Engineer Qabutu, agriculture technical consultant to the United Nations. He said: Livestock diseases are not controlled in Afghanistan, and this means that with the transfer of livestock from Afghanistan to Iran, which is being done by the Afghan emigres, 1.5 million head of livestock in the municipality of Birjand are threatened with disease.

Amiri Moqadam, governor of Birjand, added: 80 percent of the residents of the Birjand border belt are Afghan refugees, and over the last 10 years their presence has caused the destruction of 60 to 70 percent of the pastures in these areas.

He added: The revitalization of these pastures, estimated at 825,000 hectares, will cost more than 28 billion rials.

The governor of Birjand asked the United Nations for help in revitalizing these pastures. He said: The revitalization of these pastures will mean that the Afghan emigres in these areas will be more comfortable.

It is necessary to note that during his three days in the areas of Birjand and Qa'en, Engineer Qabutu, agriculture technical consultant to the UN, visited the natural forests of these areas that have been destroyed by the Afghan emigres.

#### **Pollution of Caspian Sea Detailed**

*92WN0118B Tehran ABRAR in Persian 30 Oct 91 p 9*

[Text] While the government is allocating millions of dollars in foreign exchange to procure petrochemicals

and make the most of the Caspian Sea reserves, unfortunately no plan has yet been presented to clean the polluted rivers emptying into this sea.

Every year millions of litres of waste water from factories, thousands of kilograms of poisonous pesticides and chemical fertilizers, as well as 80 percent of the urban waters converted to sewage, are poured into the Caspian Sea, and so far none of the slogans about the need to alleviate the pollution in this sea has been realized.

There are 72 kinds of fish in the waters of the Caspian Sea, some of which, such as the sturgeon family, the elephant fish and the uzun barun, have great economic value.

According to the assessment of the nation's maritime organizations, the depth of the northern Caspian sea is 20 meters.

Based on statistical studies of the Soviet Union's fisheries, in an unequal competition it claims more than 70 percent of the fishing of various kinds of fish in the Caspian Sea.

In addition to this, according to an economic program designed by this country, every year they kill countless numbers of white-bellied seals, which are considered the only kind of mammal in the Caspian Sea. Seal hides are used by cosmetic and drug manufacturers, and seal hides are also used to make leather clothing.

In the past, the stocks of bony and cartilaginous fish in the Caspian Sea were quite high, so that in the years 1317 [21 March 1938 - 20 March 1939], 1318 [21 March 1939 - 20 March 1940] and 1319 [21 March 1940 - 20 March 1941] alone, 5,000 tons of fish were taken annually from the Caspian Sea.

In the years since the stocks have gradually decreased with the destruction of natural spawning grounds in the river beds on the one hand and uncontrolled fishing on the other, so that in the decade of the 1350s [1970s] the amount of whitefish caught gradually declined to 1,000 tons.

Currently the most important unnatural factor threatening food resources for future generations in this sea is the entry of various industrial waste waters through the rivers emptying into the Caspian Sea from both the Iranian and Soviet sides, and especially the flow of polluting hydrocarbons into the waters of the northern Caspian Sea from the Soviet side.

According to the nation's fishery officials, expansion of the fisheries catch by 1,000 tons per year using 40 fishing launches is one of the crucial elements of the fishing industry's part of the Five-Year Plan for the fisheries of the northern provinces.

Despite the expenditure of millions of dollars in foreign exchange on fisheries and the planned purchase of tens

of fishing vessels, so far no planning of any kind has been done to clean up the polluted rivers emptying into the Caspian Sea.

The destruction of forests and pastures and ignoring polluted rivers and finally the irresponsible extensive use of sand and gravel by factories that procure sand and gravel on the banks and beds of the rivers, especially in the province of Mazandaran, are also seen as indications of noncoordination and the creation of conditions for the destruction of natural resources in the Caspian Sea.

Unfortunately, more than 70 large and small rivers on the Iranian coast of the Caspian Sea, which are 5 percent of all the rivers emptying into the Caspian Sea, have become severely polluted through the conversion of 80 percent of the urban water supply to sewage, the dumping of millions of litres of factory waste water, as well as thousands of kilograms of pesticides and chemical fertilizers used in the pastures of the nation's northern provinces.

The pollution and bitterness of the waters of these rivers, especially in the Province of Mazandaran, is so high that countless numbers of whitefish are lost as they travel to their natural spawning grounds, and the eggs of some of the fish which do succeed in spawning do not have a chance to hatch, and in this way they gradually go out of the Caspian Sea cycle. IRNA

#### Decrease in Trachoma Cases Noted

92WE0152A Tehran ABRAR in Persian 24 Nov 91 p 5

[Text] Due to the spread of public awareness and health care and treatment resources in our country, the number of trachoma cases has decreased.

According to statistics from the Ministry of Health Care, Treatment, and Medical Education, in 1365 [21 March 1986-20 March 1987] 17 Iranians in 100,000 had trachoma. In 1369 [21 March 1990-20 March 1991] this figure dropped to six per 100,000, and measures continue to be taken to eliminate it.

Based on statistics taken by the Anticontagious Disease Office of the Ministry of Health Care, Treatment, and Medical Education, the province of Hormozgan in the south of Iran on the coast of the Persian Gulf has the highest percentage of trachoma cases, so that of the 3,642 trachoma cases throughout Iran in 1369, 3,478 were residents of this province, and the province of Ilam in the West with 487 cases and the province of Kerman in the southeast with 376 cases, were in second and third place in terms of the number of cases of this disease.

Based on these statistics, trachoma is found mainly in the provinces of Semnan, Ilam, Lorestan, Hormozgan, Kerman, Khuzestan, West Azarbayan, Mazandaran and Tehran, and there are still limited numbers of cases in these provinces, while no cases of this disease were reported in the other provinces.

Trachoma is caused by the activity of a virus called *Chlamydia trachomatis*.

This disease is contagious, and is easily transmitted from an infected person to a healthy person through close contact or the use of infected implements, especially towels and toiletries.

#### Five AIDS Patients Reportedly Die

92AS0297I London KEYHAN in Persian 31 Oct 91 p 2

[Text] Five AIDS victims have died in Mashhad in recent weeks. The Islamic Republic, which always conceals the truth about the number of AIDS patients and victims, announced that these people died because of the use of contaminated foreign blood. The Tehran press wrote this week that after Iran refused to accept American blood donated to earthquake victims in the north last year, this blood was given to the people of Lebanon, and a number of people who used this blood got AIDS, and now a number of Lebanese combatants are infected with this disease. According to official statistics in Iran, about 500 people have AIDS, but unofficial statistics on AIDS victims in Iran count thousands of people.

In addition to this, the existence of more than 2 million narcotics addicts, hundreds of thousands of whom inject morphine and heroin, and the shortage and difficulty of obtaining one-use syringes, have greatly spread public infections with the AIDS virus, as well as the dangerous hepatitis B virus, throughout Iran.

#### Disease Outbreaks Due to Illegal Entry of Afghans

92WE0142Y Tehran ABRAR in Persian 10 Nov 91 p 9

[Text] The spread of infectious and contagious diseases caused by the illegal entry of Afghan emigres into Iran and their failure to observe the principles of hygiene has threatened the health of the people and the environment in the eastern parts of the country.

This statement was made at a meeting of the Khorasan Province Health Council by the chiefs and deputies of the province health care and treatment network.

Mohammadizadeh, deputy governor-general of Khorasan for planning, discussed the great swarm of Afghan emigres into our country. He said: About 3.5 times the number of Afghan emigres living in the camps are scattered in cities in parts of the province, and in some places the population makeup of cities and villages has changed.

'Ali Akbari, official in charge of foreign citizens in the governor-general's office, said that there are about 2 million Afghan emigres in our country. He said: Of this number, 600,000 emigres with identification cards are kept in quarantine camps at Mashhad, Birjand, Torbat-e Jam, Taybad, Fariman, Kashmer, Sabzevar, Khawaf,

Qa'en and Nahbandan, and the rest are scattered illegally across the country outside of any kind of health care controls.

He added: A high percentage of these emigres, with previous backgrounds, are afflicted with mild and severe cases of malaria.

Dr. Mir Hoseyni, executive director of the province health care network, declared that the hope of the World Health Organization to wipe out malaria has not been realized. He added: The reason for this is the failure to procure the financial assistance from some countries for the project to wipe out the disease, and because of the resistance of the bacteria for this disease to the poisons in the treatment drugs, this organization has put its hopes in the new technology to find a vaccine against this disease.

He mentioned the low level of Afghan culture in observing the principles of hygiene and their disregard for personal and social hygiene as one of the main problems. He said: A great many emigres enter the country illegally, and with their heavy traffic in the cities they carry diseases such as tuberculosis, measles, leprosy, and intestinal diseases.

At this meeting health care officials of the municipalities of Birjand, Torbat-e Jam and Taybad discussed the problems arising from the spread of Afghans through the area and the spread of contagious diseases such as rabies, dysentery, and other diseases.

A Torbat-e Jam health care official said: In the first seven months of this year [21 March - 22 October 1991] 300 Afghan emigres were bitten by rabid dogs and treated for rabies.

He added: Every new round of vaccinations costs 50,000 to 60,000 rials and this costs our country enormous amounts of foreign exchange and rials to treat the Afghan emigres.

At this meeting, in view of the fact that a high percentage of the Afghan emigres are not involved in the fight against the Kabul regime and see Iran as a good haven for comfort, investment, and accumulating wealth and are the cause of many problems in the country and in the area, they asked that suitable conditions be created for the return of emigres to their country.

#### New Narcotics Detection Device Invented

*92WD0061X Tehran ABRAR in Persian 1 Oct 91 p 8*

[Text]

#### Electronic Narcotics Detector Comes to the Market

The American Tamedics Company has introduced to the market a new electronic vacuum with the ability to identify microscopic particles of narcotics.

This device has the ability to vacuum the smallest particles of heroin and cocaine from the air, clothing, currency notes and dust and dirt and then identify them.

#### Yasuj Factory's Sewage Polluting Besharakeh River

*92WN0184C Tehran ABRAR in Persian 24 Nov 91 p 9*

[Text] After more than six years of effort to prevent pollution caused by sewage from the Yasuj Sugar Cane Factory, nothing has yet been done about this problem.

In announcing this, an expert from the Kohgiluyeh va Boyer Ahmad Conservation and Environment Office told the IRNA:

As of 15 Aban [7 October] this year, the Yasuj Public Prosecutor's Office gave this factory three months to present and carry out a program for cleaning up its sewage. Otherwise, under the Conservation and Environment Law, the sugarcane factory will also be closed.

He added: Along with the sewage from the Yasuj Sugar Cane Factory, unfortunately human sewage from this factory is also dumped into the Besharakeh River, polluting it with no consideration for environmental issues and without regard for the rights of those living along the river.

He added: The water from the Besharakeh River is used for drinking water and cultivation by the rural people along its banks. Dumping human sewage into the river will probably cause the spread of typhoid fever, diarrhea, dysentery, and other contagious diseases.

He noted that inattention by this factory's officials to this environmental problem has brought agricultural losses for the rural areas along this river.

In this interview, environmental protection experts from Kohgiluyeh and Boyer Ahmad added that measurements and tests done early in the month of Mehr [23 September - 22 October] last year on the sewage from this factory, which merely converts raw sugar to white sugar, every hour 167 cubic meters of sewage were dumped into the Besharakeh River from this factory, and the level of microbe pollution was 1,100 [kiloforms?] per 100 milliliters of sewage.

He said the reason for this high rate of microbe pollution is the mixture of human and industrial sewage.

In conclusion, he noted that when the sugar cube factory went back into operation this month using sugar beets instead of sugarcane, the pollution level in the river went up.

**Guard Corps Personnel Awarded Ranks**

92AS0162A Tehran RESALAT in Persian 5 Oct 91 p 12

[Text] Ranks were awarded to more than 100 of the naval personnel of the Revolution Guards Corps in ceremonies conducted by the commander of the Islamic Republic of Iran Navy.

The IRNA reports that these ranks, which range from sergeant first class to major, were awarded following the exalted Leader's emphasis on awarding rank rapidly to the personnel of Revolution Guards Corps.

This was the first time that rank was awarded to naval personnel with the approval of the commander in chief of the Revolution Guards Corps.

In the ceremonies awarding rank to naval personnel, attended by Rear Admiral 'Ali Shamkhani, commander of the naval forces of military and Revolution Guards Corps and several military commanders, Major General Guard Commander Mohsen Reza'i, commander in chief of the Revolution Guards Corps, discussed the role of the combatants of Islam in bringing world imperialism to its knees. He added: The establishment of America's military bases in the Middle East is an American military operation against the Islamic revolution.

The commander of the Islamic Revolution Guards Corps discussed the establishment of America's military base against the Islamic Republic of Iran, and added: Today there are a number of people who want to abuse the nation's state of reconstruction.

**Terms for Determining Guard Corps Ranks Announced**

92AS0324A Tehran ABRAR in Persian 13 Nov 91 p 4

[Text] Service records in military units, ministries, and government institutions, length of service at the fronts and deprived and sensitive areas, combat percentage, educational credentials, job skills, and quality of service in the relevant units are the determining factors in the assignment of rank to the personnel of revolution guards corps.

The IRNA reports that the deputy in charge of personnel at the Armed Forces Command Staff announced the requirements and regulations determining rank for Revolution Guards Corps as follows:

1. Years of service, including service with official membership in the revolution guards corps, the former Islamic revolutionary committees and other Islamic revolutionary, ministerial, or government-affiliated organizations since 11/23/57 [12 February 1979], as well as service in the sacred special mobilization and military service.

2. Service at the western and southern fronts in the deprived areas, and sensitive and special missions.

3. Combat record, as confirmed by the appropriate medical commissions.

4. Educational credentials including national educational system equivalent credentials and armed forces educational system credentials in accordance with the relevant rules and regulations.

5. Skills and employment history, including sensitive positions and highly skilled specialized employment in the course of service.

6. Quality of achievement, including manner of management, intellectual capability, and acceptance of responsibility. At the same time, rank will be determined for released mobilization members for the time of imprisonment, unemployed soldiers, martyrs and invalids in accordance with the special regulations provided.

Another portion of this statement says: These rules and regulations were approved as the guidelines for designating the service rank of revolution guards corps by the supreme armed forces command and delivered to the revolution guards corps for implementation, along with existing regulations for setting rank, as follows:

A. The approval of ranks of revolution guardsmen and mobilization members up to second lieutenant guard and the approval of rank for all staff in the armed forces will be done by the armed forces commanders; in the jurisdiction of the representative of Vali-ye Faqih by the representative of Vali-ye Faqih; in the Ministry of Defense and Armed Forces Logistics by the minister; and in the revolution guards corps general command by the chief of the general command and commander of the revolution guards corps staff.

B. The approval of ranks for mobilization and revolution guards corps members from first lieutenant guard to major guard will be done by the general guard command as submitted to the exalted armed forces commander in chief.

C. The approval of ranks for mobilization and revolution Guards corps members of lieutenant colonel guard and higher will be done by the exalted commander in chief of the armed forces.

**Karun Dam Construction Agreement Signed With Austria**

92AS0337F Tehran RESALAT in Persian 21 Nov 91 p 15

[Text] Economic Sector—The completion of the contract of cooperation between the Islamic Republic of Iran and Austria on the Karun Four Dam was announced Tuesday at a meeting in Vienna between Engineer Mohammad Reza Ne'matzadeh, our nation's minister of industries, and Austria's ministers of economic affairs, industries, and transportation.

According to the report received, at these meetings, which were held concurrently with the second day of

meetings of the UNIDO [UN Industrial Development Organization], the two sides followed up on the areas of agreement from the second joint commission, which was held in Tehran this year in the month of Mehr [23 September - 22 October]. They emphasized the use of common positions to develop mutual relations.

This report states that in the meetings between our country's minister of industries and Dr. Shusel, the Austrian minister of economic affairs, study and renewed emphasis was given to the necessary to create a balance of trade between the two countries and to develop the export of Iran's industrial and traditional goods to Austria, for joint investment in Iran, and for the establishment of product exhibitions for Iran's goods in Austria.

According to the report received from the Ministry of Industries Public Relations Office, on the second day of the UNIDO meeting, Engineer Ne'amatzadeh studied the question of expanding technical and industrial cooperation in separate meetings with the ministers of industry of Sudan, Yemen, Algeria, and Thailand.

It is worth mentioning that before Saturday, the final day of the Fourth UNIDO meeting, our country's minister of industries will meet with the ministers of industry from Zimbabwe and Poland and several managers of the United Nations Industrial Development Organization, including the UNIDO general secretary.

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